



**PROPOSED 2024 OPERATING BUDGET,
DEVELOPMENT PLAN &
CAPITAL IMPROVEMENT PROGRAM
UPDATE**

NOVEMBER 15, 2023

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I. EXECUTIVE SUMMARY

The Santa Clara County Fairgrounds Management Corporation (SCCFMC) is proud to present its Proposed Operating Budget for the operations of the Santa Clara County Fairgrounds for the Calendar Year 2024. SCCFMC continues to serve the community in good times and when the need arises in emergency situations. During the first six months of 2023, the Fairgrounds continued to be used as a primary location for COVID-19 testing and on-going vaccinations. Although SCCFMC was unable to host major events such as Cinco de Mayo, Hop ‘N Vine and the July 4th celebration, SCCFMC was able to utilize available facilities/grounds to hold events including concerts, festivals, elections and host a twelve-week summer Fairgrounds Live Music Series. With the departure of the County COVID activities on the Fairgrounds at the end of June 2023, SCCFMC was able to fast track and present a 10-day annual County Fair, along with a successful “Live” Junior Livestock. Summarized below are SCCFMC’s key assumptions, goals, and objectives for 2024:

- a. SCCFMC continues to work on a multi-year Capital Improvement Program (CIP) along with staff from the County Executive’s Office to identify and prioritize the critical needs of the Fairgrounds. Funding for capital improvements will commence once additional resources are available from investment partners.
- b. Funding is included in the 2024 Capital Expenditures Budget for improvements required to develop plans for a proposed Sports Bar and Restaurant in the current Off-Track Betting building, redevelopment of the Concert Arena and Perimeter Fencing. Other major capital acquisitions budgeted for 2024 include four golf carts, a sound system for Voice of the Fair, lighting equipment for the International Park and Plaza area, an Electronic Billboard for the front of the Fairgrounds, and modifications to the existing Billboard fronting Monterey Road – Gate D entrance.
- c. The continued discipline demonstrated by this Development Plan and Proposed 2024 Operating Budget will enable SCCFMC to preserve cash reserves by maintaining at least a four-months reserve of \$2.4 million in 2024 (best practice goals).
- d. In 2024, projected revenues of \$11.6 million or an increase of \$2.9 million from the 2023 Actual/Forecast and a slight increase of \$.1 million from the 2023 Adopted Budget reflects the re-opening of Bingo operations, an 8-day, full scale Fair, Cirque du Soleil show, multiple promoter events, and SCCFMC hosted events. The 2024 revenues include approximately \$3.1 million from the annual County Fair, \$2.4 million from anchor licensee agreements, \$2.0 million from Bingo operations, \$1.5 million in Venue Sales and Event Services, and \$1.3 million from Off-Track Betting including advance-deposit wagering (ADW) commissions.
- e. In 2024, projected expenditures total \$11.6 million or an increase of \$1.9 million from the 2023 Actual/Forecast and a slight increase of approximately \$.2 million from the 2023 Adopted Budget align with increases in revenues which is

attributable to the re-opening of the Fairgrounds for year round events and to host an eight day Fair in 2024. Consistent with prior year expenditure activity, 50% of the Total Functional Expenses are for employee, outside services, security, and utilities costs. It is management's intent to keep expenses in line with revenues to ensure SCCFMC continues to operate in at least a breakeven position.

- f. SCCFMC continues to support the growth and professional development of its staff to improve service to its million-plus annual customers, promoters, and vendors. Staff's participation in the various webinars and conferences hosted by the Western Fair Association (WFA), International Association of Fairs and Expos (IAFE), International Association of Amusement Parks and Attractions (IAAPA), Sponsorship Mastery Summit and International Entertainment Buyers Association (IEBA); provides valuable information, creative ideas, and continued support in connection with the event planning and development of our 2County Fair and other hosted events planned in 2024.

II. KEY ACCOMPLISHMENTS 2023

Summarized below are several key accomplishments in 2023:

- a. Maintained cash reserves by \$2.1 million in 2023, a 3 to 4 months reserve, within best practice's goal.
- b. Off-Track Betting Facility – Triple Crown Races, Kentucky Derby, Preakness and Belmont Stakes wagering commissions increased 50% compared to 2022. Completed occupancy analysis in connection with the anticipation of re-opening Bingo operations.
- c. Marketing – Completed the installation of new signage, including all buildings and gates. Revamped thefairgrounds.org website with a new design and layout to enhance user experience. Renamed and rebranded Fairgrounds Music Series (previously hosted as Wednesday Night Music Series). Developed an interactive 3D map. Established a good working relationship with local media to further promote events.
- d. Events – Held twelve (12) successful Fairgrounds Live Music Series (previously hosted as Wednesday Night Music Series) completely free to the community. To date, 29 events have been held at the Fairgrounds including concerts, festivals, tradeshow, elections, runs and dog training. Partnered with Foodieland, which hosted two events in 2023, generating approximately \$757,000 in revenue and \$553,000 in net profit.
- e. Annual County Fair – Hosted first 10-day Fair in over 20 years with an attendance of approximately 100,000. Generated approximately \$351,794 for youth participating in the Junior Livestock Auction - an increase of \$59,676 from 2022. The Santa Clara County Buyers Coalition collected more than \$40,000 in sponsorships. SCCFMC partnered with the Salvation Army and Freedom Meat

Locker to distribute 2,500 pounds of essential protein/meat to more than 500 families in our community.

- f. Food & Beverage - Developed a new handbook and application form to inform and assist food vendors in connection with the Fairgrounds' Rules and Regulations. Completed the installation of a new Ansell system in the Off-Track Betting facility for code compliance.
- g. Capital Improvements – Invested approximately \$837,000 in commercial kitchen upgrades, communication equipment, restrooms, staging, lighting, tables and chairs, landscaping and signage on the Fairgrounds, and two trucks for operations.
- h. Operations – in coordination with County Departments, completed the exterior painting of all major buildings on the Fairgrounds and the replacement of 80,000 square feet of asphalt pavement around the Heritage area. Installed LED Retrofit Exterior lighting throughout the Fairgrounds to achieve the goal of improved energy efficiency resulting incost savings.

III. PROPOSED 2024 OPERATING BUDGET SUMMARY

The 2024 Operating Budget is based on the following assumptions:

- i. Balance work assignments with a limited staff of eighteen (18).
- ii. Obtain Bingo License to resume operations in the Off-Track Building facility.
- iii. SCCFMC's entrepreneurial spirit will be reflected in the preparation and hosting of a full-scale, 8-day County Fair, including the Junior Livestock Auction, with a wide variety of entertainment, exhibits and activities for all generations to enjoy.
- iv. SCCFMC will host two "jackpot shows" to encourage involvement by 4H and FFA members in providing resources for the annual County Fair.
- v. Secure a minimum of \$500,000 in sponsorship and grant funding for the annual County Fair.
- vi. Partner with promoters to present exciting entertainment and events at the Fairgrounds, including Cirque du Soleil Kooza Touring Show, various festivals, trade shows, expositions, and concerts.
- vii. Increase the monthly anchor license fee by three (3) percent to cover increased maintenance, fencing and code compliance costs.

- viii. Host three major events including Hop 'N Vine 2024, the 4th of July Celebration and the 12-week Fairgrounds Live Music Series.
- ix. Partner with promoter to produce two multi-day FoodieLand Night Market events.
- x. Contract for outside services to assist with redevelopment planning of the Fairgrounds to include financial modeling, architectural master plan design and negotiations support. Other services include security, Hosted Events coordination, sponsorship fundraising, accounting, and event support.
- xi. Develop partnerships with non-profit or for-profit organizations to explore grant and sponsorship opportunities to supplement SCCFMC's revenues; and
- xii. Explore the opportunity to join with an experienced operator to plan and open the Open-Air International Market in 2024.
- xiii. Build working relationships with various non-profits from the community to expand the cultural entertainment offerings at the Fairgrounds; and
- xiv. Rebuild event activities and generate revenues in other program services by working with promoters to host approximately six (6) concerts.
- xv. In support of the many events hosted at the Fairgrounds, management will work on implementing the following two policies to enhance security: (1) Clear bag policy and (2) Code of Conduct – Under 18 policy.

To achieve a positive outcome in 2024, SCCFMC will continue to pursue the following:

- a. Review all the Fairgrounds property to maximize revenue generation, including the re-opening of Bingo operations in the Off-Track Betting facility, use of buildings for educational workshops and field trips, and housing of livestock on open lands.
- b. Support a customer-friendly organization that will attract major new events to the Fairgrounds, while maintaining the charm and affordability for non-profits and cultural and community groups that utilize the Fairgrounds for their annual events.

- c. As funds permit, continue to make investments in the physical plant of the Fairgrounds for the benefit of the whole community and preservation of capital infrastructure.
- d. Current staff will continue to perform multiple tasks (wearing multiple hats) to keep employee costs affordable. Continue to reassess staffing needs as the Fairgrounds is now fully operational to host events and to schedule major events in collaboration with promoters.
- e. Enhance our marketing program to education the community regarding the current and future vision for the Fairgrounds.
- f. Continue to work on the redevelopment plans of the Fairgrounds property for the future success and growth of the operations.
- g. Continue to work with County Departments and Officials to clarify, formalize and expedite the process for submitting, reviewing, and processing of required permits for projects proposed in the Development Plan and by Licensee users.
- h. Continue to work with architectural consultant in the preparation of a Master Development Strategy that enhances the aesthetic appearance of the Fairgrounds Property Core Area with emphasis on planning of a future International Open-Air Market Plaza. Check to make sure this is consistent with name above!
- i. Continue to collaborate with the County Executive's Office during continued discussions and negotiations with the San Jose Earthquakes for the construction of a new soccer complex in Planning Area 3, the American Cricket Enterprises for the reconsideration of Planning Area 2 as possible site for new cricket stadium and San Jose State University for the construction of the Speed City Legacy Project (track & field facility).

The attached Exhibits (A-1 through A-9) summarize the projected revenues, expenses, net income, and capital expenditures for 2024.

IV. SCCFMC – DEVELOPMENT PLAN OVERVIEW

The SCCFMC continues to assess and analyze the Fairgrounds Property as three (3) separate but dependent Planning Areas. The following section defines each proposed Planning Area and describes how each Planning Area is presently utilized. The delineation of the Planning Areas is shown on **Figure 1** below.

Planning Area Definitions & Descriptions:

a. Planning Area 1 – Parking Lot Parcel

This 14-acre parcel located north of Tully Road, and across from the main Fairgrounds property, is currently used as a surface parking lot. The County of Santa Clara is no longer using the parking lot for COVID-19 testing and related services.

Status: On January 11, 2022, the County executed an Exclusive Negotiations Agreement (ENA) with American Cricket Enterprises (ACE) – The executed ENA provided for a 12-month period to conduct further due diligence. The proposal was to ground lease approximately 12-acres to construct a professional cricket stadium,. The County of Santa Clara is currently reevaluating the 14-acre Tully Road parking lot as the location for the proposed cricket stadium. The SCCFMC will be collaborating with ACE and County Executive’s office to identify and delineate a 15-acre site in Planning Area 2 and produce a conceptual Site Plan for the proposed cricket stadium.

The SCCFMC continues to work with Cirque du Soleil to re-establish the Tully Road Parking lot as a permanent San Jose location. In 2024, Cirque du Soleil is looking to initiate set-up of facilities in Planning Area 1 from March 1 to April 16 for setup; performance period of April 17 – May 26 and move out date of June 7.

The SCCFMC will also continue to plan for future opportunities on the 14-acre Tully Road Parking Lot, including the possible construction of parking structure(s).

b. Planning Area 2 – “Core Fairgrounds” Parcel + Transition Use Parcels

This approximate 102-acre portion includes all existing buildings and capital infrastructure that represent the Core County Fairgrounds event area and adjacent acreage used by the SCCFMC as staging, parking, and special event open space.

Status: The SCCFMC continues to coordinate with the Office of the County Executive and the San Jose Sports Authority to program the proposed Indoor/Outdoor Sports Complex in Planning Area 2. The SCCFMC continues to work with the architectural consultant to prepare a Master Plan for Planning Area 2 to include but not limited to the Indoor/Outdoor Sports Complex, Redevelopment of the Fairgrounds Core Area, an International Open-Air Market Plaza, and a hotel and retail on frontage roads.

SCCFMC staff continues discussions with an exploratory committee for the design and buildout of an Equestrian, Livestock and Agricultural Education Center. The committee is reviewing various layout options for a 25-acre multi-use facility.

On April 19, 2022, the County also executed an Exclusive Negotiations Agreement with San Jose State University for the construction of an outdoor track and field facility. The proposal is to ground lease up to 9 acres on the eastern portion of Planning Area 2 to construct the “SJSU Speed City/Olympic track and field facility. The County of Santa Clara was awarded \$9 million in AB178, the Budget Act of 2022, for the Speed City Legacy Project. The SCCFMC shall continue to coordinate with the County Executive’s Office on these efforts.

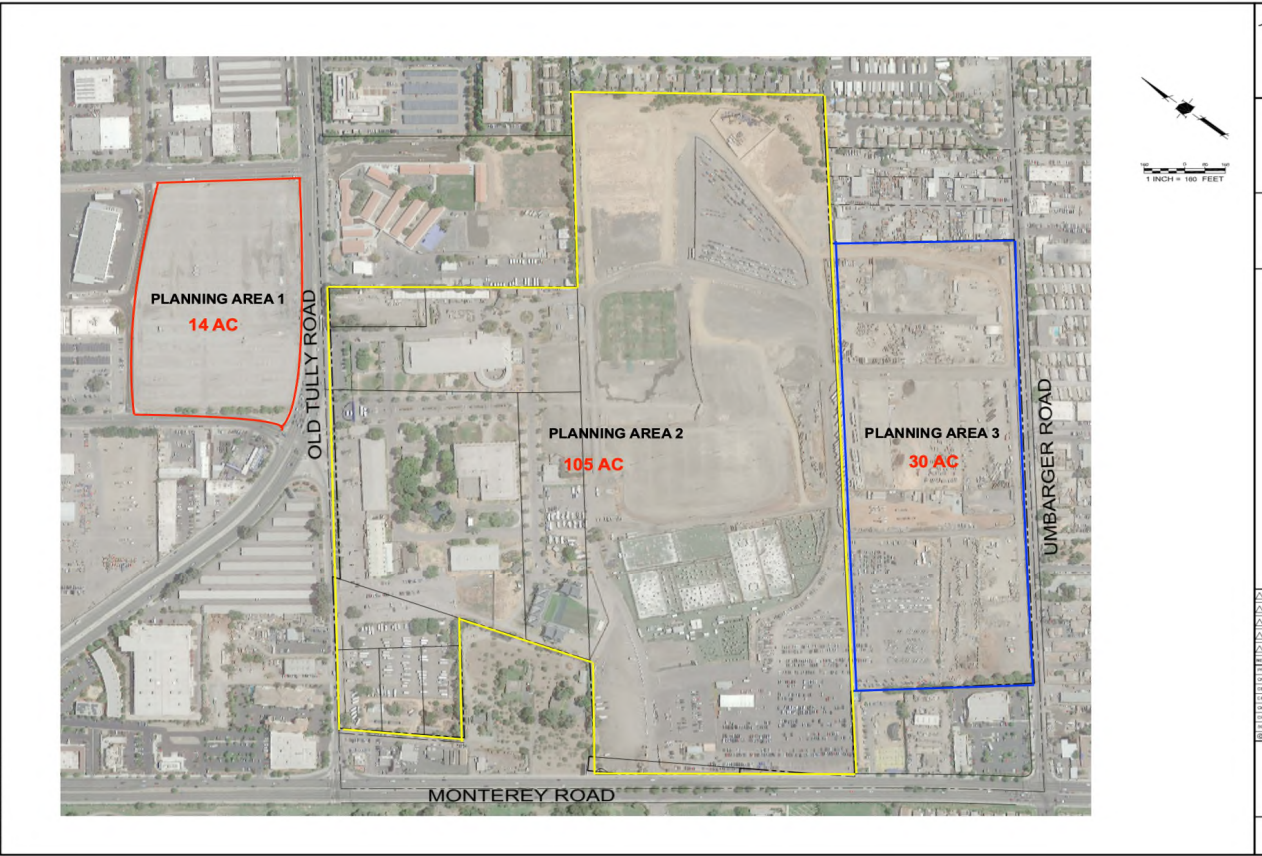
c. Planning Area 3 – Long-term Use Parcel

This approximate 34-acre parcel continues to serve as one of the primary source of income for SCCFMC. This section of the Fairgrounds property is licensed to entities for temporary storage use and business operations on an annual basis.

Given the extensive property frontage along Umbarger Road, SCCFMC staff considers this site best situated for long-term uses and increasing potential for longer-term income to SCCFMC.

Status: On April 4, 2022, the County approved an Exclusive Negotiations Agreement (ENA) with the San Jose Earthquakes to ground lease approximately 15 acres to construct a Soccer Complex for the Earthquakes team and its Youth Academy – The executed ENA provided for a 12-month period to conduct further due diligence. Subsequently, the San Jose Earthquakes revised their proposal to include a 34-acre project with a total of ten soccer fields. The San Jose Earthquakes propose to use approximately 14.8 acres to include four soccer fields and two-story training facility for private use by the Earthquakes and their Youth Academy. The County would build and operate the remaining six soccer fields for public use.

FIGURE 1: PLANNING AREA MAP



V. PROPOSED 2024 DEVELOPMENT PLAN OBJECTIVES

Since 2019 and up to this point, the SCCFMC has been working with interested parties to obtain specific project proposals that would ultimately be used to prepare a Master Development Strategy for the County Fairgrounds Property. SCCFMC continues to analyze the potential of the property as three (3) Planning Areas (as shown in Figure 1).

The SCCFMC will continue to work with interested parties to analyze specific land uses and projects associated with each Planning Area. The review and analysis of all land use and specific project proposals will continue to be coordinated with the Office of the County Executive.

KEY PROJECTS + STRATEGIC EFFORTS

The purpose of this section is to provide the analysis, status and recommendation(s) of key projects and an update of the progress associated with numerous other proposed land uses at the County Fairgrounds Property:

A. San Jose Earthquakes – Soccer Complex Project:

Planning Area:	Planning Area 3
Proposed Acreage:	34 Acres
Facilities:	Total of ten soccer fields and two-story training facility. 14.8 acres dedicated to four soccer fields and a two-story training facility for private use by the Earthquakes and Youth Academy 18.8 acres dedicated to six soccer fields would be for public use and would be the responsibility of the County to build and maintain.
Proposed Use:	The San Jose Earthquakes propose, on approximately 34 acres of the Fairgrounds, a state-of-the-art soccer complex to include public use fields for the community, the San Jose Earthquakes practice facility, and youth-academy development fields.

Status: On April 4, 2022, the County approved an Exclusive Negotiations Agreement with the San Jose Earthquakes for a potential ground lease to construct a Soccer Complex for the Earthquakes team and its Youth Academy. The executed ENA provided for a 12-month period to conduct further due diligence. On April 4, 2023, the County approved a six-month extension to the ENA, to October 3, 2023. The County is continuing to negotiate with both the Earthquakes and Cricket, beyond the extension period in the hopes of reaching a ground lease agreement in the very near future. The County also hired a consultant to assist with

negotiations and explore alternative financing and operating options with the San Jose Earthquakes.

SCCFMC

Recommendation: Continue to work with and coordinate with the County Office of the Executive as necessary.

B. American Cricket Enterprises – Cricket Stadium:

Planning Area: Planning Area 2

Proposed Acreage: 15 acres

Proposed Use: The American Cricket Enterprise (dba Major League Cricket) submitted a proposal for the construction of an approximate 48,000 SF Stadium of 10,000 capacity. The proposed facility would also include parking and related ancillary facilities.

Status:

ACE prepared a preliminary term sheet for a potential cricket stadium on 15 acres in Planning Area 2 and a conceptual site plan for the proposed stadium.

It was collectively decided between ACE, County staff and the SCCFMC that ACE will need to coordinate with the SCCFMC to identify a possible site in Planning Area 2 and prepare a conceptual site plan for consideration and review by County staff and the SCCFMC. This step will need to be completed prior to drafting any potential deal terms for a site in Planning Area 2.

SCCFMC

Recommendation: Work collaboratively with ACE to identify a 15-acre site in Planning Area 2 and assist ACE in any way as they look to prepare a conceptual site plan for the proposed stadium.

C. Indoor/Outdoor Sports Complex

Planning Area: Planning Area 2

Proposed Acreage: TBD

Elements that the SCCFMC seeks to accomplish include but are not limited to the following:

- Approximately 150,000+ square foot facility
- Basketball courts
- Volleyball and badminton courts

- Indoor workout facility
- Event capacity of approximately 3,000
- Outdoor plaza space

The SCCFMC shall continue to coordinate with the San Jose Sports Authority and further define project elements – along with San Jose State University and their proposed outdoor track and field facility. The SCCFMC shall continue to coordinate with the County Office of the Executive on both efforts.

D. San Jose State University Speed City/Olympic Track and Field Facility

Planning Area: Planning Area 2

Proposed Acreage: 9 Acres

San Jose State University (“SJSU”) proposes to lease approximately 9 acres along the eastern portion of Planning Area 2 to construct an outdoor track and field and ancillary facilities.

On April 19, 2022, the County executed an Exclusive Negotiations Agreement with SJSU with the goal of ultimately executing a long-term ground lease for the proposed outdoor track and field project. The County was awarded \$9 million is AB178, the Budget Act of 2022, for the Speed City Legacy Project. The terms of the grant require that they be used by June 30, 2026 – the State Parks Department has expressed that the deadline could be extended if progress is being made.

SJSU has recommended a two-phase development, building out the track facility first, then completing the commemorative facilities once additional funding is made available. County staff expects to return to the County Board of Supervisors by first quarter of 2024 with the necessary documentation to accept the grant – once the design, cost and scheduled is prepared and submitted by SJSU.

E. County Park Planning for Fairgrounds Property

The County Finance Government Operations Committee (FGOC), at its May 19, 2022, meeting, requested that staff report on parks activities related to the Fairgrounds property. Since then, the County has retained the consulting services of WRT, LLC landscape architecture consultants to prepare a parks plan, feasibility study report and business plan. WRT continues to make progress on the Feasibility Study for park and open space uses at the Fairgrounds property and development of concepts for parks and open space along with related business plan.

WRT and the County Parks Division completed an amendment to the Project Agreement that refines the Feasibility Study, including Site Concepts and Business Plan. The SCCFMC was provided a draft report and provided comments to the County Parks Division.

F. Fairgrounds Property Master/Development Strategy

Planning Area 2 is approximately 102 acres in size and includes all or most of existing buildings that make up the Core County Fairgrounds event area and adjacent acreage used by the SCCFMC as staging, parking, and special event open space.

Because of the interconnectedness, dependency, and complimentary use by the Fairgrounds Core area to the adjacent acreage, it is expected that the Core Fairgrounds Parcel will have easements or shared-use agreements allowing it to utilize other parcels for larger events. Since this “Transition/Interim Use Area” serves as significant portion of property used for parking, staging and temporary storage for County Fair, the SCCFMC strongly feels that this area should be planned as part of the Fairgrounds Core Area – and included as the new Parcel 2.

The SCCFMC continues to work with an architectural consultant to prepare an Architectural Master Development Plan to assist in the development strategy of the Fairgrounds property. The scope of the continued master planning efforts in 2024 will focus on the planning and development of the Open-Air Market Place in the Core Area.

G. Fairgrounds Property Permitting

The County of Santa Clara determined that the County permitting of all projects and/or uses proposed on the Fairgrounds Property would need to be submitted for and facilitated by the SCCFMC. Furthermore, the County also appointed a team of County Department Officials to be the points of contact to SCCFMC.

The SCCFMC continues to work closely with the appointed County Officials regarding all permit issues for the entire 150-acre Santa Clara County Fairgrounds property. To date the SCCFMC is coordinating with the County Department team on the following permit efforts:

- Process and permits to address any and all code compliance issues on the entire Fairgrounds Property.
- Le Mans temporary Kart Racing facility – temporarily on hold pending Le Mans owners’ decision to move forward with project or not
- Santa Clara Paintball code compliance – Formal compliance order issued and Paintball in process of moving out
- Temporary event permits for users such as Cirque du Soleil
- Formalization of process and permits for all existing and future events on existing Core Area Facilities and finally determine who should be responsible for submitting permit applications to the County of Santa Clara (SCCFMC or Licensees).

OTHER IMPORTANT PROJECTS – PLANNING AREA 2:

A. Fairgrounds Outdoor Concert Venue Redevelopment / Re-Purposing:

SCCFMC continues to work with consultants to assess the condition of the Arena facility prior to opening for any events.

Planning Area: Planning Area 2

Proposed Site: Site includes the Arena Venue; food stands and landscape and remodel of the Off-Track Betting building interior and other blighted areas in the Core Fairgrounds area.

Proposal: The SCCFMC continues to coordinate with consultants to conduct an assessment of the concert arena to determine the required capital improvements required to reopen the arena facilities in 2024.

SCCFMC
Recommendation: Authorization to enter into agreement to provide capital and revenue to SCCFMC in the 2024 Budget to commence capital improvements on the Fairgrounds and production of allowable events.

B. Gaan Racing Inc. – Temporary Kart Racing Facility

Planning Area: Planning Area 2

Proposed Acreage: 2 Acres

Facility Size: Phase I: 2-acre outdoor racetrack

Proposed Use: Phase I: lease 2-acre property to construct an outdoor kart-racing experience with outdoor spectator area.

Status: The SCCFMC has identified an approximate 1.8-acre area, formally used as a car auctioning site, as a potential site for the proposed temporary kart racing facility. SCCFMC submitted Building Permit Applications and is currently working closely with County Departments to facilitate the processing of required Building + other County permits. The County formally determined that user will need to connect to public sewer and provide bathroom facilities not portable toilets as proposed.

The project and related building permit applications are on hold pending the owners' decision to move forward with project or not. The County requirements to connect the project facilities to public sewer and be in close proximity to fire hydrant that meets County standards remain the two critical issues.

SCCFMC
Recommendation: Continue to stay in contact with the owner of Le Mans Karting to determine if he is moving forward with the project or not. The owner of Le Mans Karting is considering revising his project to be completely temporary and in operation for only up to 6-months periods annually. The SCCFMC is waiting for the owner to submit a revised project concept.

C. Livestock, Equestrian and Agricultural Education Center

Proposed Acreage: Approximately 25 Acres

Proposed Use: SCCFMC-Sponsored Livestock and Equestrian Center on approximately 25 acres. The proposed facility would include but not be limited to the following elements:

Sheep & Swine Bar
Outdoor Livestock Show Arena
Beef Barn
Small Animal & Poultry Barn
Horse Arenas
(2) Warm-up/Trail Arenas
Warm-up Arena
(7) 40-Stall Horse Barns
(36) Concrete Wash-racks
(11) Concrete Manure Bunkers
Ancillary bathrooms + storage facilities + trailer parking

Status: The SCCFMC continues to work with committee to explore and define the scope of the facility. The exploratory committee is touring related facilities to determine desired scope of the facility moving forward.

VI. SUMMARY

SCCFMC will continue the momentum on future development by holding on-going discussions with various development groups on the redevelopment of the Fairground's 150 acres. SCCFMC staff will continue to monitor and control expenses and make necessary adjustments if there is a reduction in projected revenues to ensure a break-even financial position by year-end. SCCFMC wants to position its capital improvements and redevelopment program in a ready mode to accelerate operations once the current climate is once again normalized and open for business.

VII. SCCFMC RECOMMENDATIONS

PLANNING AREA 1:

- 1) Coordinate with Cirque du Soleil to establish Planning Area 1 as the permanent location for Cirque du Soleil. Otherwise continue to analyze options for long-term development of Planning Area 1.

PLANNING AREA 2:

- 1) Major League Cricket Stadium:

Work closely with the American Cricket Enterprises and County Executive's office to identify a 15-acre site in Planning Area 2. Collaborate with American Cricket Enterprises to prepare a conceptual plan for the proposed cricket stadium for review and consideration by the County.

- 2) Continue to coordinate efforts with the County Executive's office, San Jose State University, and the San Jose Sports Authority to further plan and program the proposed Indoor/Outdoor Sports Complex.
- 3) Continue to work and coordinate with the County Executive's office and San Jose State University to under the current Exclusive Negotiations Agreement to further refine the Speed City Legacy Project concepts, cost and project schedule.
- 4) Work closely with the SCCFMC architectural consultant and all appropriate groups to prepare an Architectural Master Plan for Planning Areas 2 to focus on planning and establishing an Open-Air Market project.

PLANNING AREA 3:

- 1) San Jose Earthquakes Soccer Complex:

Continue to work closely with the County Executive's office and County Counsel to continue negotiations under the current Exclusive Negotiations Agreement and ultimately leading to a long-term ground lease.

PLANNING AREAS 1, 2 AND 3:

- 1) Continue to work closely with the County Department team assigned to the County Fairgrounds property to resolve all pending Code Compliance issues and facilitate processing and approval of current and future permitting of proposed projects on the Fairgrounds property.

VIII. EXHIBITS

Exhibits A:

- A-1 Summary Highlights
- A-2 Profit & Loss Statement
- A-3 Revenue By Program Services
- A-4 Revenue By Program Services (Chart)
- A-5 Anchor Licensees Agreements – 2024 Estimate
- A-6 Expenses By Service Unit
- A-7 Statement of Functional Expenses
- A-8 Net Income/(Loss) Summary
- A-9 Proposed Capital Expenditures

EXHIBIT A-1

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION 2024 PROPOSED OPERATING BUDGET SUMMARY HIGHLIGHTS

(\$ IN THOUSANDS)

2022 SUMMARY HIGHLIGHTS	Proposed 2024 Budget	2023 Actual/ Forecast	Change from Actual/Forecast		2023 Adopted Budget	Change from 2023 Adopted Budget	
			Actual/Forecast	% Change		Budget	% Change
REVENUES	\$ 11,648	\$ 8,676	2,972	34%	\$ 11,519	129	1%
COST OF REVENUES	\$ 3,269	\$ 1,733	1,536	89%	\$ 2,400	869	36%
CONTRIBUTION MARGIN	\$ 8,379	\$ 6,943	1,436	21%	\$ 9,119	(740)	-8%
EXPENSES:							
PROGRAM SERVICES	\$ 5,071	\$ 4,507	564	13%	\$ 4,895	177	4%
GENERAL & ADMINISTRATIVE	\$ 1,889	\$ 1,980	(91)	-5%	\$ 3,172	(1,283)	-40%
FACILITIES	\$ 1,391	\$ 1,509	(118)	-8%	\$ 985	406	41%
TOTAL EXPENSES	\$ 8,352	\$ 7,997	355	4%	\$ 9,052	(700)	-8%
NET INCOME/(LOSS)	\$ 27	\$ (1,053)	1,081	-103%	\$ 68	(40)	-60%

EXHIBIT A-2

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION 2024 PROPOSED OPERATING BUDGET PROFIT & LOSS STATEMENT

	2024 PROPOSED BUDGET	2023 ACTUAL/ FORECAST	Change	% Change
<u>REVENUES:</u>				
County Fair	\$ 3,151,000	\$ 1,692,361	1,458,639	86%
Property Management	2,385,000	2,492,908	(107,908)	-4%
Bingo	1,960,000		1,960,000	N/A
Venue Sales & Event Services	1,505,000	1,365,059	139,941	10%
Off Track Betting (OTB)	1,253,550	1,239,082	14,468	1%
Food & Beverages	880,000	689,856	190,144	28%
Hosted Events	480,000		480,000	N/A
Other Income*	33,500	295,582	(262,082)	-89%
County Reimbursement	-	901,168	901,168	100%
TOTAL REVENUES	\$ 11,648,050	\$ 8,676,016	2,972,034	34%
<u>EXPENSES:</u>				
Cost of Revenues	\$ 3,268,996	\$ 1,732,587	1,536,409	89%
Program Services	5,071,181	4,507,342	563,839	13%
General & Administrative	1,889,444	1,980,159	(90,715)	-5%
Facilities	1,391,127	1,509,402	(118,276)	-8%
TOTAL EXPENSES	\$ 11,620,748	\$ 9,729,491	1,891,257	19%
Net Income/(loss)	\$ 27,302	\$ (1,053,475)	1,080,777	-103%
Net Income/% Total Revenues	0%	-12%	36%	

* Proposed Other Income revenue includes grant funding from the California Department of Food & Agriculture (CDFA)

EXHIBIT A-3

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION 2024 PROPOSED OPERATING BUDGET REVENUE BY PROGRAM SERVICES

(\$ IN THOUSANDS)

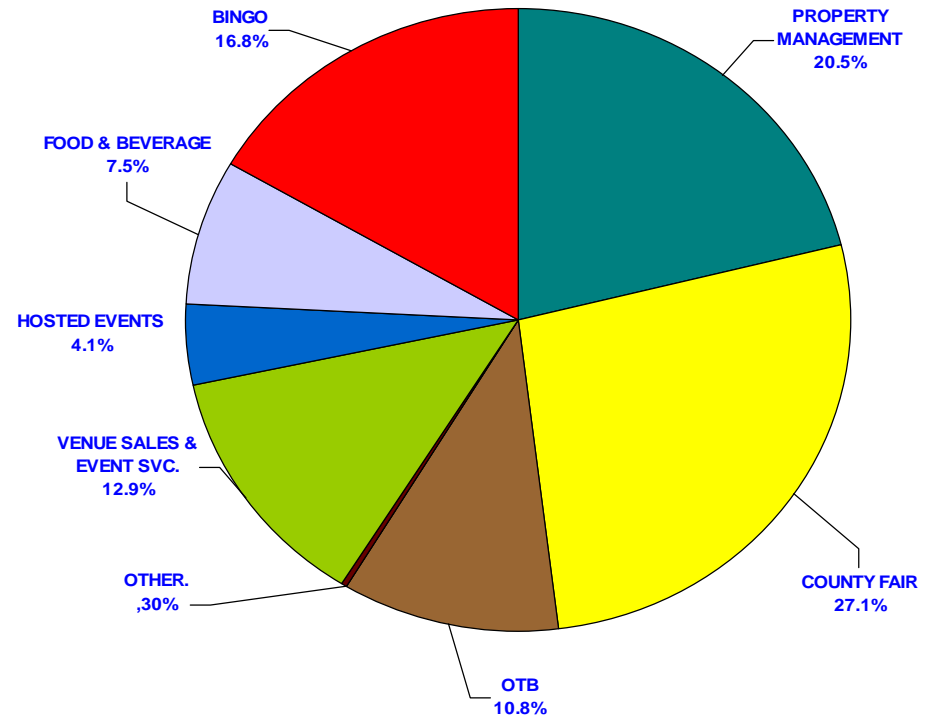
REVENUE BY PROGRAM SERVICES	Proposed 2024 Budget	% of Total Revenue	2023 Actual/ Forecast	% of Total Revenue	Change from Actual/ Forecast	% Change	2023 Adopted Budget	% of Total Revenue	Change from 2023 Adopted Budget	% Change
COUNTY FAIR	\$ 3,151	27%	\$ 1,692	20%	1,459	86%	\$ 3,225	28%	(74)	-2%
PROPERTY MANAGEMENT	\$ 2,385	20%	\$ 2,493	29%	(108)	-4%	\$ 2,900	25%	(515)	-18%
BINGO	\$ 1,960	N/A	\$ -	N/A	1,960	N/A	\$ -	N/A	1,960	N/A
VENUE SALES & EVENT SERVICES	\$ 1,505	13%	\$ 1,365	16%	140	10%	\$ 1,738	15%	(233)	-13%
OFF TRACK BETTING (OTB)	\$ 1,254	11%	\$ 1,239	14%	14	1%	\$ 1,336	12%	(82)	-6%
FOOD & BEVERAGES	\$ 880	8%	\$ 690	8%	190	28%	\$ 745	6%	135	18%
HOSTED EVENTS	\$ 480	4%	\$ -	0%	480	N/A	\$ 643	6%	(163)	-25%
OTHER INCOME*	\$ 34	0%	\$ 296	3%	(262)	-89%	\$ 32	0%	2	5%
COUNTY REIMBURSEMENT	\$ -	N/A	\$ 901	N/A	(901)	-100%	\$ 900	N/A	(900)	-100%
TOTAL	\$ 11,648	83%	\$ 8,676	90%	3,873	45%	\$ 11,519	92%	1,029	9%

* Proposed Other Income revenue includes grant funding from the California Department of Food & Agriculture (CDFA).

EXHIBIT A-4

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION 2024 PROPOSED OPERATING BUDGET REVENUE BY PROGRAM SERVICES (CHART)

COUNTY FAIR	\$	3,151,000
PROPERTY MANAGEMENT	\$	2,385,000
BINGO	\$	1,960,000
VENUE SALES & EVENT SERVICES	\$	1,505,000
OFF TRACK BETTING	\$	1,253,550
FOOD & BEVERAGE	\$	880,000
HOSTED EVENTS	\$	480,000
OTHER INCOME*	\$	33,500
TOTAL REVENUE	\$	<u>11,648,050</u>



* Proposed Other Income revenue includes grant funding from the California Department of Food & Agriculture (CDFA).

EXHIBIT A-5

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION LICENSEES AGREEMENTS - 2024 PROPOSED OPERATING BUDGET

	ACRES OCCUPIED	MONTHLY FEES	MONTHLY PER ACRES	<u>2024 PROJECTED</u> REVENUE
AT&T/CROWN CASTLE	N/A	\$ 5,596.00	N/A	\$ 67,152.00
DATALINX COMMUNICATIONS, INC.#654	0.5	\$ 3,713.00	\$ 7,426.00	\$ 44,556.00
EVERGREEN WASTE SERVICES #642	0.5	\$ 3,713.00	\$ 7,426.00	\$ 44,556.00
DGDG #650	1.5	\$ 11,139.00	\$ 7,426.00	\$ 133,668.00
GARDEN SUPPLY #641	3.25	\$ 24,134.50	\$ 7,426.00	\$ 289,614.00
GREEN BAY HAULING, LLC #649	0.5	\$ 3,713.00	\$ 7,426.00	\$ 44,556.00
JETMULCH #667	1	\$ 7,426.00	\$ 7,426.00	\$ 89,112.00
LE MANS KARTING #643	1.625	\$ 12,067.25	\$ 7,426.00	\$ 144,807.00
PACIFIC WEST BUILDERS INC. #646	13	\$ 96,538.00	\$ 7,426.00	\$ 1,158,456.00
RARA TRUCKING #679	1	\$ 7,426.00	\$ 7,426.00	\$ 89,112.00
SILICON VALLEY TELECOM INC #658	0.5	\$ 3,713.00	\$ 7,426.00	\$ 44,556.00
SPECTRASITE/AMERICAN TOWER	N/A	\$ 1,998.20	N/A	\$ 23,978.40
SOUTH BAY TELECOM #664	1	\$ 7,426.00	\$ 7,426.00	\$ 89,112.00
TA CONCRETE CONSTRUCTION #666	0.25	\$ 1,856.50	\$ 7,426.00	\$ 22,278.00
THE FENCE- 4 RENT COMPANY #662	0.5	\$ 3,713.00	\$ 7,426.00	\$ 44,556.00
T-MOBILE/CROWN CASTLE #644	N/A	\$ 854.06	N/A	\$ 10,248.72
UNITED RECYCLE SERVICES #647	0.5	\$ 3,713.00	\$ 7,426.00	\$ 22,278.00
VYSH #620	0.2	\$ 1,485.20	\$ 7,426.00	\$ 17,822.40
TOTAL	25.825	\$ 200,224.71		\$ 2,380,418.52

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

EXHIBIT A-6

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION 2024 PROPOSED OPERATING BUDGET EXPENSES BY SERVICE UNIT

(\$ IN THOUSANDS)

EXPENSES SUMMARY

	Proposed 2024 Budget	% of Total Expenses	2023 Actual/ Forecast	% of Total Expenses	Change from Actual/ Forecast	% Change	2023 Adopted Budget	% of Total Expenses	Change from 2023 Adopted Budget	% Change
COST OF REVENUES	\$ 3,269	28%	\$ 1,733	18%	1,536	89%	\$ 2,400	21%	869	36%
PROGRAM SERVICES	\$ 5,071	44%	\$ 4,507	46%	564	13%	\$ 4,895	43%	177	4%
FACILITIES & OPERATING	\$ 1,391	12%	\$ 1,509	16%	(118)	-8%	\$ 985	9%	406	41%
GENERAL & ADMINISTRATIVE	\$ 1,889	16%	\$ 1,980	20%	(91)	-5%	\$ 3,172	28%	(1,283)	-40%
TOTAL	\$ 11,621	100%	\$ 9,729	100%	1,891	19%	\$ 11,451	100%	169	1%

EXHIBIT A-7

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
2024 PROPOSED OPERATING BUDGET
STATEMENT OF FUNCTIONAL EXPENSES**

	Proposed 2024 Budget	2023 Actual/Forecast	Adopted 2023 Budget
Salaries,Taxes & Benefits	\$ 2,123,226	\$ 1,765,886	\$ 2,573,677
Bingo Payouts	1,400,000	-	-
Security & Sheriff	1,297,370	1,696,589	1,197,500
Outside Services	1,036,197	948,104	958,031
Utilities	1,025,600	1,012,550	1,178,500
Repair & Maintenance	874,500	990,328	840,800
Marketing	841,500	531,461	1,199,550
Entertainment	577,500	932,945	1,287,000
Depreciation and amortization	430,000	420,086	385,000
Equipment Rental	341,250	300,675	187,000
Professional Services	316,905	227,818	835,303
Supplies	275,250	267,855	215,000
Other	239,250	224,934	195,250
Food & Beverage Cost	222,150	130,631	116,246
Bingo Supplies	200,000	-	-
Insurance	183,000	183,953	182,000
Commissions	150,000	1,715	0
Racing Forms	72,450	79,759	86,400
Fees & Licenses	14,350	13,838	13,000
Miscellaneous	250	363	1,000
Total Expenses	\$ 11,620,748	\$ 9,729,491	\$ 11,451,257

EXHIBIT A-8

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION 2024 PROPOSED OPERATING BUDGET NET INCOME/(LOSS) SUMMARY

(\$ IN THOUSANDS)

	Proposed 2024 Budget	2023 Actual/ Forecast (*)	Change from Actual/Forecast	% Change	2023 Adopted Budget	Change from 2023 Adopted Budget	% Change
NET INCOME/(LOSS)	\$ 27	\$ (1,053)	1,081	-103%	\$ 68	(40)	-60%

(*) The Net Income Loss in 2023 is attributable to the following:

- (a) Shortfall in Fair concert ticket sales due to closure of Arena - \$500,000
- (b) Unable to Host Events - \$600,000
- (c) Increase in security costs for RV Park and grounds - \$400,000

EXHIBIT A-9

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION PROJECTED CAPITAL EXPENDITURES

	Proposed 2024 Budget	2023 Actual/ Forecast
Food & Beverage		
Portable Bars	\$ 13,400	
Whiskey Tasting Bar		\$ 15,914
Commercial Kitchen Equipment		\$ 17,462
Food Tents (5)		\$ 11,276
Facilities/Grounds		
Golf Cart (2)	\$ 30,000	
Truck (2)		\$ 102,585
Arena Improvements	\$ 600,000	\$ 20,479
WIFI Project	\$ 75,000	\$ 35,000
Electrical		\$ 31,347
Signages		\$ 33,196
Landscape Improvement		\$ 48,951
Cable Projectors		\$ 16,608
Billboard Improvement	\$ 100,000	
Badge System for reminding BLDG	\$ 75,000	
Skip Loader (Used)	\$ 100,000	
Exterior Surround Speaker System	\$ 58,000	
Exterior Network Cameras	\$ 75,000	
Perimeter Fencing		\$ 14,986
Motorola Digital Radios		\$ 16,608
Concert Green – Electrical Panels	\$ 30,000	
7 -Light Towers	\$ 100,000	
Restroom Improvement		\$ 204,147
The Fair 2022		
Murals		\$ 46,000
Benches		\$ 74,300
Stage, Lighting, Sound, Video	\$ 50,000	\$ 53,180
Off Track Betting		
Sports Bar & Kitchen Improvements	\$ 600,000	
Control room OTB	\$ 90,000	
Events		
Tables and Chairs		\$ 95,147
25 -Metal Picnic Table	\$ 32,500	
Total Capital Expenditures	\$ 2,028,900	\$ 837,186