

CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE

Public Workshop to Address Alternative

Fairground Operating Models

via ZOOM

November 12, 2020 @ 1:30 pm

Attendees:

CDFA staff:

- Secretary Ross
- Arturo Barajas
- Kathy Diaz-Cretu
- John Quiroz
- Sarah Pelle
- Mike Francesconi
- Kalia Mitchell
- Joji Kume

Public:

- Tony Campos
- Kevin Larkin
- Michael Doherty
- Bart Vannucci
- Carlene Moore
- Chelsea Roberts
- Daniel Jacobs
- Dave Dillabo
- Dave Kegebein
- Dayna Ghiradelli
- Don Dietrich
- Don Webb
- Dottie Lyons
- Emily Cornett
- Eric Johnson
- Erin Cucchi
- Gibran Stout
- Gloria Rowland
- J Gaffney
- Jamie Lubenko
- Jamme Yang
- Jay Carlson

- Jeannie Kegebein
- Jennifer Coile
- Jennifer Seward
- Jody Gray
- John Kegebein
- Kelly Violini
- Kevin Shelton
- Kim Daily
- Kim Floyd
- Leigh Kammerich
- Lisa Barkett
- Martin De La Torre
- Michael Doherty
- Michael Olcott
- Michelle Eiler
- Mike
- Nancy Sites
- Nicholas Sites
- Nicholas Ogden
- Pamela Fyock
- Pat Kress
- Patricia Conklin
- Patrick Eidman
- Rebecca Desmond
- Richard Hoffman
- Sadie Foster
- Sheli Wright
- Stacy Riana
- Stephen Hales
- Taylor Corder
- Terry Bressler
- Tim Fennell
- TJ Plew
- Tom Mitchell
- Tony Campos
- Veronica Bethel Parker
- Jennifer Monter
- Jen McGuire
- Rick Pickering
- Jkant
- Richard Person
- Denise Carter
- Call in by phone – 8

GOAL OF MEETING

Introduction – The goal of these public meetings is to listen to recommendations and ideas from the fair industry stakeholders regarding current and alternative operating models. The information gathered at the three workshops to be held will be incorporated in a report to the Governor. **ISSUES TO ADDRESS;**

- To have public dialogue about potential governance structures for DAAs
- Long term viable solutions to best support fairgrounds
- Fairground property to serve local communities for youth and emergency services
- Share specific challenges

Q & A

1. Will the state retain ownership of property – enter into leasing agreements for fairgrounds?
2. Management of the fairgrounds if they transition out from state control.
3. Will this involve sale or lease or state property? And how will people who manage be selected?
4. Are there fairgrounds shortlisted from state control to local control?
5. Is CDFA considering a public and/or private arrangement with 501c3 to operate the fairgrounds?
6. I keep hearing that the Governor wants to sever the relationship with the DAAs, Is this true?
7. Does this apply to all fairs that are part of Network of CA Fairs or only applies to State Owned DAAs?
8. With these discussions of fairs becoming privatized, how local stakeholders be selected?
9. As I understand it- COVID is one of the driving forces for this workshop. What are some of the other factors that are triggering this right now?
10. When will the presentation of "options" be made to the governor, and when will his decision be handed down?
11. Is it possible to give fairgrounds some of the CARES funding to tide them over? Several other States have already provided some CARES funds to their Fairs. The States that did provide CARES funds deemed their Fairs to be "small businesses."
12. Is it accurate that state funding is going to follow the fair?

13. When/If the property is transferred – would local zoning take effect?
14. What governance options has F&E looked at?
15. Will a new report be prepared rather than relying on the 2011 document?
16. Will the State publish all the documents from the state and governance documents for fairgrounds to transition governance?
17. What about pooling DAAs?
18. What does transition time look like? It is understood from the May Revise, that the Governor wants fairs to transition into something different.
19. Is there current guidance around any events on fairgrounds opening?

SUGGESTIONS & COMMENTS RECEIVED

- I would suggest that since most fairs are financially challenged the transition to new governance should be as streamlined as possible. Less is more.
- I think that it is a mistake to make "profits" the primary focus and recognize that it is in the PUBLIC interest that agriculture programs, in urban areas, be paramount. Should not focus on making money but should be looked at as public asset like parks and libraries.
- I would like to see a streamlined process to transfer to local control. Local control is the goal. Many ways or forms of this local control. I assume it's easier to transfer fair assets to a local government than nonprofits. All fairs (especially small rural fairs) need this to be a low-cost transfer.
- Could a local special district be formed like a Parks district? JPA does seem to also make sense.
- Brief reminder that "Local Control" may have differing interpretations in each community. Does local control mean the local Fair Board, the local City Council, the local Board of Supervisors, a local non-profit, private/public partnerships, etc.
- The DAA model worked once, but not anymore in my opinion. I believe changes are needed. Too many restrictions, too little funding, too much state control and oversight. Almost every fairground is loaded with deferred maintenance. Get rid of all the alphabet soup agencies that hurt our fairgrounds and communities.
- As far as timing, fairs can self-fund normally. Now, we need relief just like other agencies. We have been basically cannibalized by other state agencies for years, whether it is DGS, State fire marshal, HR and by local agencies. If we could get relief from our County Health Department, it would be helpful
- Has there been any thought about taking this energy and putting it toward reopening guidelines for the Fairgrounds, since we make our own group and provide activities that are technically allowed? Currently Churches can have funerals and weddings with a limited number of attendees; then we can get through this.
- What about forming a JPA with State Parks and Recreation, in order to open fairs up to the general public as community centers. I believe they should be considered public places as they serve as the emergency centers in all communities. I am fearful this will go away during times of need.
- If there is further funding it should be available for fairs.
- There are currently fairs outside the network that exist. In the network –we can agree that the most desirable model is citrus fruit fairs. We could look at fairs being State entities, but not

subject to all rules and regulations. 2011 gives us a brief look on transition to Citrus Fruit Fair Model – believe model for DAAs should be Citrus Fruit Fairs and Cemetery Districts.

- Restructuring of fair has been looked at 3 or 4 different times over my career and is always pulled up short by DGS, CalHR, and Organized Labor. Reasons for no change is outstanding debt and outstanding liabilities for OPEB, Vacation, SB 84 and other liabilities. Not a lot of private organizations or other entities will want to step in and take over liabilities. We need to consider past debt owed. These are questions being asked. How to transition equipment? Work with fairs to identify stakeholders.
- Making the DAAs part of Parks, form JPA with state parks – open fairs up to general public as community centers or public centers.
- HR has made it difficult for fair to operate for long time, need flexibility for hiring and firing. Fairs are public place, most important aspect. Make fairs public places at the local level. With COVID- shifted back to state. Local Nonprofits want to use fairgrounds, but they don't want to pay to rent facility. There has to be money coming into fund this. Not enough money coming in. Lack of local control is causing problem.
- Governance models may or may not work. DAAs governance model does work. This idea doesn't necessarily need to be off the table. We should Look at some workings of that model. DAAs are held to higher level than other state organizations and businesses in our communities. Many fairs are looking at changes, because we have is not working. Can be fixed but needs someone to take control and fix it.
- 8 years ago, the AV Fair created a JPA. The AV Fair is still considered a part of the Network of CA Fairs. A JPA model is not a death sentence. You just need Local Participation. Happy that they did it but not perfect.
- CDFA should slow down and don't make hasty decisions.
- Fairs are in turmoil, and we don't need quick results but rather restrictions removed. The depth of oversight put on the fairs is all wrong. How long can fairs survive without money? Here is \$40.3M to lay off employees. Chains need to be released.
- The perimeter put on the Boards and how they govern needs to be removed.
- When the Fairs operate during normal times, they can be self-sufficient and abide by rules. Some assistance provide by the state will help the fairs continue to survive. Small businesses and schools are being helped. Parks are heavily subsidized. CDFA needs to get 1499 funds out that was promised to the fairs. Local input is vast and there is ownership.
- Discussing alternative fairgrounds models during pandemic is like trying to rebuild a plane while burning when in flight. Tall order needs to be careful what we set in motion.

- It would behoove the State to make sure they include the CA Fairs Alliance (CFA) and pursue their advice and input. New Governance should be local and want to make sure fairs are generating revenue and run as revenue generating. JPAs are integral part of fairs and this model should be used to transition fairs. Transitions should occur now. The Governor directed us to do that.
- We need to look at new ways to approach governance for fairs overcome a lot of hurdles – Deferred Maintenance (DM) is one. The City or County may take on these entities, but the DM will be problematic.
- Fairs are not like any other government agency; we don't typically get money from the state. Thus, we should be treated differently, and not make us follow all regulations that every other state entity/agency follows. Or, give us more money so we can follow the regulations.
- How about we run like a real business. We make our own money.
- May be good to know what will happen to the fairground if JPA is created.
- Making the DAAs part of Parks , JPA with state parks – open fairs up to general public to community centers – public centers.
- Local control is important. Lack of local control is causing problem.
- A little cash would be helpful and get money out that was promised to the fairs. Fairs started by people. Local input is vast and there is ownership.
- With better financial support from the state, we can get through this.
- Governance models may or may not work – DAAs governance model does work and doesn't necessarily need to be off the table. Look at some workings of that model. The DAA model is not working. It can be fixed but needs someone to take control and fix it.
- So much of the costs get passed on to the DAAs. We should look at a regular business model.
- Can't buy own vehicle insurance by DGS. Talk about JPAs, City & County, and Nonprofits.
- Maybe not right time to look at this – wait till pandemic is over. Some of these DAAs are in long term contracts.
- If we want fairs to be successful, we need to change the way the state does business with fairgrounds. Don't put it on the fairs to solve unfunded liability problem.
- Who will want to partner with business with no money or support?

- It seems that there is talk about best governance, but not the underlying reason, which is financial.
- With better financial transition support, we can get through this.
- Yes, please tell the Governor, we, the people, are asking for transition support