

**Regular Board Meeting of the Board of Directors
1-A District Agricultural Association
Tuesday, August 20, 2019 – 10:00am
Paddock Room, Cow Palace
2600 Geneva Avenue, Daly City, California**

MINUTES

Mara Kopp, President	Barbara Wanvig, 1st VP	Anthony Pantaleoni, 2 nd VP
Ken Flower, Director	Tyrone Evans, Director	Al Perez, Director
Nancy Atkinson, Director	Leah Pimentel, Director	Chris Corgas, Director

I. Roll Call

President Kopp called the meeting to order at 10:07 a.m. All Board Members as noted were present: Director Wanvig, Director Atkinson, Director Flower, Director Perez, Director Pantaleoni, Director Pimentel, and Director Corgas. Director Evans and Director Corgas were excused by motion of Director Pantaleoni and seconded by Director Wanvig. All in favor. Motion passed. Lori Marshall, CEO, and Kelley Ferreira, were also present.

II. Approval of Minutes of Board Meeting July 16, 2019 Motion made by Director Wanvig to approve minutes, seconded by Director Flower. All in favor. Motion passed.

III. Public Comments –None.

IV. Presidents Report: None

V. CEO Report –

- 1. Updated calendar of events** was distributed and reviewed individually.
- 2. Projects/Programs/Facility Update:** CEO Marshall went over her written report that updated grounds projects, short term land leases, facility marketing and outreach, and other miscellaneous updates. .

A RFQ/RFP: CEO Marshall asked Joe Barkett to give the report regarding the development ground lease and RFQ/RFP. Joe gave a thorough introduction on the history of interest in land development at the Cow Palace in respect to the efforts of the COW PALACE and the commercial development of its property, and a time line of what has occurred in the past. The history report stated: “Over the last 15 years there have been several development efforts. In 2004, the City of Daly City adopted a 131-page plan called the “Cow Palace/Carter Martin Area Master Plan”. The plan contained various land use alternatives and recommended that joint use of the three properties, estimated at 37.2 acres along Carter Street, i.e., Daly City Housing Finance Development Agency (DCHFDA) (12.5 acres), Syufy (11.16 acres) and Cow Palace (13.5 acres), be done under an integrated management plan that would increase the market value of the individual parcels. A Cow Palace Board Committee expressed support for a joint development approach between all landowners but made clear that any such development would have to preserve an adequate supply of parking spaces.

In either 2005/2006 the COW PALACE put out an RFP for commercial development of its parcel (Upper Parking Lot). The winning proposal, was submitted by Cypress Development and negotiation of a Development Ground Lease followed. Joe began as CEO of the Cow Palace at the end of 2008 and took up the negotiations with Cypress which lasted over a year. As a result of the “Great Recession” and other

financial considerations, Cypress finally decided to withdraw its proposal. The COW PALACE then began negotiations with SyWest; the other bidder from the RFP. These negotiations took place over approximately one year but an agreement as to terms could not be reached.

During the next several years there were various legislative and administration efforts to sell the Upper Parking Lot or the entire COW PALACE property. The first such effort, by Senator Leland Yee, would have required the sale of the COW PALACE property to Daly City. That legislation failed. Thereafter, Governor Schwarzneger's administration proposed selling four fairgrounds (Cow Palace, State Fair, Orange County Fair and Del Mar Fair). This proposal also failed.

In approximately 2014/2015 the COW PALACE put out another RFQ/RFP for development of the Upper Parking Lot and received two proposals. During the qualification process both proposers withdrew, citing fear of a process (over and above an agreement with the COW PALACE) that would include the State of California, Daly City and S.F., which they feared would be overly burdensome and expensive.

In the current legislative session (2019), Senator Weiner introduced SB 281 which, among other issues, would authorize DGS to sell the COW PALACE property to a governing authority made up of board members appointed by Daly City, San Francisco and County of San Mateo. This bill did not move out of the Senate and is now a 2-year bill.

In 2019 and partly as a response to the continuing assertion by officials that the COW PALACE was not serious about trying to develop the Upper Parking Lot property, the COW PALACE again began negotiations with SyWest for a long-term development lease. The SyWest proposal was little changed from previous failed negotiations but, despite reservations as to SyWest's valuation of the COW PALACE property, the COW PALACE Board was prepared to again consider a proposal. It was at this time that the COW PALACE received calls regarding a company called DECA. DECA had been in discussions with Daly City officials regarding development of the DCHFDA property and had plans as well to expand on the 2004 "Cow Palace/Carter Martin Area Master Plan" to include significant development of the larger

The COW PALACE Board next passed a resolution calling for, among other things, the City of Daly City to confirm its support of DECA and its concept for development. The Daly City Council then passed such a resolution. The City of Daly City (DCHFDA) then decided to put out an RFQ/RFP for development of its parcel."

All of the above leads to the RFQ/RFP proposal that is being presented today for Board approval.

Joe explained that the proposed RFQ/RFP is a very important philosophical step forward. It is not limited to the Upper Parking Lot but asks for an innovative and creative approach to the development of a significant portion of the Cow Palace property currently used primarily as parking support of the Arena and exhibit buildings. Importantly, the RFP does not assume any less importance of the need for parking but instead challenges a potential developer to solve the parking demand in other ways, including a parking structure. Also, importantly, the philosophy behind this RFP is not to dictate to potential developers any particular uses in any specific locales but rather gives the parameters that must be met (see #2 on page 1) and gives the developers an opportunity to demonstrate an integrated vision for the overall Cow Palace site. The qualified developer with the best vision will be awarded the opportunity to negotiate exclusively a long-term development ground lease that blends this vision with the specific needs and concerns of the Cow Palace.

The process will include approval of the RFQ/RFP presented today, responses will be scored by a panel to determine whether the development team is qualified, for this scope (see pages 13-14), then those deemed qualified, will also be scored for the development proposal (see pages 14-15). These recommended qualifiers and recommended proposer scores will be given to the full Board for its final determination. If the Board chooses a developer/proposal (it has no obligation to do so), that entity will have the right to enter into an ENA, the general terms of which are set forth in Attachment C of the RFQ/RFP document. Thereafter, the parties will in good faith attempt to negotiate a long-term Development Ground Lease (DGL). That DGL will be subject to approval by the California Department of General Services.

Discussion followed.

- VI. Consent Agenda** Director Wanvig motioned to approve the consent agenda items as submitted, seconded by Director Perez. All in favor. Motion passed

VII. Committee Reports:

- 1. Budget and Finance Committee: Financial Statements for July 2019:** Our financial position remains positive. Profit for July is \$150,000, and our Total Operating Revenues for the month are about the same as last month - \$371,000. On a YTD basis, TOR are \$420,000 over June. Total Rental Event Revenues, also on a YTD basis, are ahead of June by \$350,000. Total Operating Expenditures continue to climb, in part because contractual agreements and most spending categories, especially those related to events, continue to increase. YTD, Operating Expenditures are up by \$223,000. Looking specifically at Rental Event Revenues, building rentals are up \$135,000 YTD since last report, Reimbursements are ahead \$100,000 YTD, and Total Rental Event Revenues are up by \$351,000 YTD. **CURRENT POSITION REPORT:** Our cash position, while still great, is a bit lower than a month earlier, but Assets over Liabilities are up \$133,000. This is because Current Liabilities are down over \$200,000. We are happy to note that Assets in Excess of Liabilities have increased by more than 6.5 times since April of 2016 when Lori Marshall became our CEO! (Actually 6.55) **BALANCE SHEET:** Still very healthy at \$6.6 million although down slightly- \$23,000 in the past month. We expect a healthy August for revenues from the Cage Fights. September has several smaller events, and then we move into October's GNR and the Dickens Faire in November-December. You will recall that Q4 is our big revenue earning period.
- 2. Outreach Committee:** Chair Perez reviewed information presented by the CEO outreach report and discussed new ideas that staff has been working on.
- 3. GNR/JGN Committee**– Kelley gave his report on progress of sponsors and partnerships. CEO Marshall gave an update on GNR promotions, schedule, military and first responder nights, a meeting with Centerplate and discussed the disappointing response from commercial vendors for the marketplace.

VIII. Action Items

- 1. Approval of the Financial Statements for July 2019:** Director Wanvig presented the financial statement for July 2019 for discussion and approval. Director Pimentel made a motion to approve the financials. Director Flowers seconded. All in Favor. Motion passed.
- 2. Approval of the RFQ/RFP for Land Development Lease:** After Mr. Barkett's report and Board discussion, Director Wanvig made a motion to approve the RFQ/RFP for the Land Development Lease. Director Pantaleoni seconded. All in Favor. Motion passed.

IX. Matters of Information

1.CEO Comments: None

2. Director Comments: None

3. Next Board Meeting: Tuesday, September 16, 2019 at 10am.

X. Adjournment: Motion to adjourn made by Director Pantaleoni, seconded by Director Perez. All in favor. Motion passed. Meeting adjourned 11:50 am.