

NEW MEXICO STATE FAIR COMMISSION
MINUTES
OF THE REGULAR COMMISSION MEETING
WEDNESDAY, JULY 22, 2015
AFRICAN AMERICAN PERFORMING ARTS CENTER
300 SAN PEDRO NE
ALBUQUERQUE, NEW MEXICO
11:00 A.M.

Call to Order by Chairman Kennedy at approximately 11:05 a.m.

Commission Roll Call – Commissioners present:

Chairman, Larry Kennedy
Secretary-Treasurer, David “Hossie” Sanchez
Commissioner Charles “Chuck” Brown
Commissioner William “Bill” Lee
Commissioner Xavier Jurado

Pledge of Allegiance: led by Dan Mourning

Staff present:

Dan Mourning, General Manager
Erin Thompson, Media Director
Bill Nordin, Chief Financial Officer
Ken Salazar, Operations Manager
Sally Mayer, Senior Manager
Sabrina Garza, Events Director
John D’Amato (counsel)
Carlos Beserra

Rick Word (Attorney General’s Office)

Chairman Kennedy started with introductions. He introduced Carlos Beserra who advised the commission that he has worked closely with the governor’s administration and came from the state Economic Development Department and is working in sponsorship.

Daniel Sherry was also introduced. Daniel is a college student who is helping Carlos in a temporary capacity for the summer.

Mr. Mourning indicated how happy the Fair is to have Carlos on board and the fact that he recently worked for economic development is very beneficial. He does a fine job and is an established member of the community who is an exceptional addition to the fair staff. Dan said

with regard to Daniel, we love having young folks as interns and Daniel has been great in helping with sponsorship.

Action Item: Chairman Kennedy asked if there was a motion to approve the agenda. Commissioner Sanchez made the motion with Commissioner Lee seconding, which passed unanimously.

Action Item: Chairman Kennedy asked if there was a motion to approve the minutes of the April 9, 2015 commission meeting. Commissioner Brown made the motion with Commissioner Jurado seconding, which passed unanimously.

Public comment: None

Chairman Kennedy advised that the next item was the Chairman's Agenda.

Racing commission report – Commissioner Sanchez stated that he has been working with the Downs on race dates and we have taken care of ensuring a straight meet for the quarter horse meet. They had done a split meet previously but he requested they return to a straight meet so they changed it back. They also changed the name of all futurities and derbies last year and we advised them that we wanted those changed back. This is our meet and we should have been consulted on changes. Commissioner Sanchez asked them to change the names back and they agreed. He is in communication with Donnie Cook and Paul Blanchard.

Commissioner Lee thanked Commissioner Sanchez for taking care of those things and looking out for fair.

Chairman Kennedy raised the issue of committee suggestions – he asked if there was any reason to have more committees. Last year Commissioner Brown wanted to work with management on APS days but since there has been good progress, he wasn't sure if that was still an issue. Commissioner Brown commented that it was done so well last year and he was very impressed, so is stepping away but assuming momentum is continuing. Mr. Mourning advised that we have been able to get the message out that the state fair is educational not just entertainment. With our focus on all that makes New Mexico great, we have lots of enticements to get them here. We will continue to work on getting transportation etc. Mr. Mourning stated that we have a lot more sponsors thanks to Sabrina (Garza) and Ken (Salazar) and staff. Commissioner Brown said he was at the fair frequently and witnessed the drop off and organization related to school days and the response was overwhelming. He said it was tremendously well done and that a long term investment will pay dividends.

Chairman Kennedy stated that he is keeping up with progress with the Downs and the wayfinding/walkway. We have seen conceptual ideas and when we have more we will bring that forward but it looks like it will be very nice. The chair said we will track their progress and keep the hammer down. We will present when we have more information.

Commissioner Sanchez said he has been in communication with Mr. Mourning and Erin (Thompson), working on highway signage for the fair. They are the big signs on structures which tell you directional distance to the specific location. Commissioner Sanchez said Dan has been wanting freeway signs for a

while and Erin has shared correspondence she has had with the highway department. Commissioner Sanchez said he has had his engineers go out and identify structures where we can tag onto existing signs. He disagrees with initial quotes we have received and believes that we can put signage on existing signs for a lot less money. He is working on getting with the manufacturers of the structures to obtain weights and then he will present to District 3 Department of Transportation and tell them what they've found. He believes DOT should be able to get these in place before fair. It is possible to have something nice at Louisiana with two on west bound off ramp on I 40 and 2 on the eastbound of I 40 to the Louisiana exit. Commissioner Lee asked if structures were already there and Commissioner Sanchez answered that yes – all four already exist.

Commissioner Lee asked about a formal committee for legislative updates. He would like to know specifically what we are doing for legislators for the fair. Commissioner Brown stated that he is working on some parts of that but not dealing with legislators in Santa Fe. He is working on what we can do during the fair. He advised that he met with Carlos and Erin and we are going to communicate to them in advance and use county day for reaching them with possible expansion to bring families and extend the day. Commissioner Brown indicated that we should have more details later.

The chairman suggested the commission move on to the State Fair management report with the first item being the 2015 State Fair.

Mr. Mourning thanked the commissioners and in particular those who have to drive a long distance to do this important work. He thanked Commissioner Sanchez for all the work he has done on the race commission. A lot of work has been accomplished and changes in how we interact with the Downs. Mr. Mourning thanked Commissioner Brown for working with our staff on legislative outreach as it is important that they know that even though we don't get tax dollars, they represent the state and should know what we're doing. The best thing we can do is be successful and this year's fair will be off the charts.

Mr. Mourning pointed out the peanut containers on the tables which are actually empty beer cans for the New Mexico State Fair Beer. He went on to say that it is a project we are very proud of which is unique to our fair. The craft brew industry is doing really well in New Mexico and micro breweries are popping up all over. They are very complex and original concoctions which are big with the millennial demographic. We need young folks coming to fair and bringing their kids etc. and we need to represent the industries of New Mexico. Working with the La Cumbre (brewer of the beer) and the Brewers Guild, we got the project done in four months. It came about as a result of discussions with the guild and an idea was borne. The guild considered proposals from breweries and picked La Cumbre. Monsoon Creative did the design of the cans. We required the use of New Mexico products such as hops and grains etc. The monks in Abiquiu produced the 250 acres of hops and next year we are hoping to have completely New Mexico products. The project is good for the agriculture industry and we have involved Secretary Jeff Witte from the Department of Agriculture as well. La Cumbre is starting with 2,000 cans and 85 kegs. It is already selling out at many stores and flying off the shelves at places such as Whole Foods, Trader Joe's etc. Beer sales will result in some revenue for fair but the greater benefit is as a selling point for the event. Mr. Mourning acknowledged his staff and everyone involved and discussed

the successful launch party that happened in the previous week where he said the fair got a lot of sponsors. Folks recognized how nice our facilities are and how big. We are getting calls from other fairs and festivals who are interested in doing something similar.

Hiring for the fair will open August 3 and we will hire between 500 to 700 extra employees. We are a big employer and hire many folks on a part time basis in order to prepare and have also been able to incorporate some Department of Corrections labor as well, thanks to Secretary Gregg Marcantel and his leadership in Los Lunas for putting the project together. They have been working hard and doing a good job with the transition from horse racing to the Youth Arabian Horse Show. As most know it is the last year for the show. We understand the reasoning for why the other site was selected but we are proud of the bid we worked on with the Albuquerque Convention and Visitors Bureau and the city, which was a competitive bid. Our facilities are good but it is difficult to compete with a 100 million dollar investment for brand new facilities. We believe we have a lot to offer and they will be back - we have a better climate. We will work to upgrade our facilities as well and actively pursue other events in the meantime, such as ranch rodeo which has 16,000 participants. We have had so many inquires for our spaces which haven't previously been open. We have holds for concerts. We keep hearing about potential loss of millions of dollars but Expo doesn't share in gross receipts tax. We have to fund our operations through our own ingenuity. Our bid was good but Oklahoma City outbid us. We will be aggressive in recruiting events. There is something happening every weekend and we are only getting better.

Mr. Mourning advised that for the Livestock Department, we have once again hired Erin Dorsey from National Western Stock Show in Denver. We plan to get up to par with national shows so local competitors know what it is like to compete at a national level. We will work with Erin for one more year to ensure we are on the right path. Judges are hired and the entry deadline is August 1. More folks are expected for specific shows because of changes we have made. There will be new theme days for the north end. Burritos Alistante will not be back but Sopas is taking over that space and they have phenomenal food. Pig races will be back as well as Ag Adventure to draw people to that end of the fair. Sheep to shawl program is returning which provides great demonstration for sheering a sheep and making it into a sweater which is a neat educational program.

Mr. Mourning provided an update on Horse Shows, saying that Sally (Mayer) is working very hard on the shows and has hired Dauane Elkins with Excel again and he is renowned in the country for his work. We are on track to do better than last year (which went very well). We are bringing in a new western dressage association and getting lots of inquires. Buckskins will be back also and we have a redesigned premium book which is more user friendly. The horse hospitality hut will be expanded to livestock to make people feel welcome as it is all about customer service. Gabe will be supervising staff at the stalls and does a great job keeping folks in line. The draft pull is an event you don't want to miss - like tractor pull with horses and it will be on Friday the 18th.

The Walgreens promotion was hugely successful last year and we will continue the partnership and will work with the new midway operator as well. Presale is money in the hand and folks can plan and get a heck of discount. The presale runs August 10 through September 11 and is at all Walgreens throughout

New Mexico, which is important. A regularly priced adult admission ticket is \$10 and will be \$7 at Walgreens and the child/senior ticket goes from a regular price of \$7 to \$6 with the Walgreens promotion. Last year approximately 190,000 people took advantage of the advance sales and this year we hope to reach approximately 400,000. The deals will also include a \$28 unlimited ride wrist band when purchased at Walgreens. The wrist bands will not be sold at the fair on weekends but the Walgreens pass will be valid every day including weekends. Considering the farmer's almanac says rain is likely for September, the pre-sale provides us a little protection from those potential losses. Over the years we've learned and gotten smarter with providing protection for weather losses. It is really important to remind folks that 70 percent of the fair is indoors and there are plenty of things to do.

As for sponsorship, Mr. Mourning stated that Carlos and Sabrina are doing a great job and we are looking at over a million dollars in contracts right now and we are ahead of last year. We are looking to announce some good things in the next couple of weeks with national level sponsors. We've created a kids zone by gate 4 and are talking to some folks to see if they want to be part of that.

Mr. Mourning advised that special promotions such as teacher appreciation weekend have been hugely successful, in which teachers get in free. We also will continue with a dollar day (numbers were great), senior celebration of healthy living, rodeo day (gets you free access to rodeo with regular admission ticket). We have made great strides in rodeo and have a very well respected program thanks to Ken and Sabrina getting the word out, and traveling to various rodeo events etc. We are partnering with Pepsi again for a shirt handout day in which the first 1,000 people will get a free t shirt. We will have a carnival moonlight madness promotion for unlimited rides from 7 pm to 1 am both Fridays. Really good things are happening in the Indian Village, including the Pow Wow on Saturday, September 19. Sunday will be the carnival's "last blast" promotion. We want to be able to give the consumer the ability to plan and come multiple times. There will be free parking again in the infield.

Mr. Mourning expressed that for many folks, the fair is New Mexico's Disneyland and for some it is the closest they will come. We will once again distribute wooden nickels to the kids at the parade. We will also be reaching out to programs within the state and community to provide giveaways to get folks into the fair who may not otherwise be able to attend.

We have a great rodeo and concert lineup including Mexican Extravaganza, which last year was a lot of fun and provided great entertainment. We have an outstanding lineup with PRCA rodeo and concerts including NEEDTOBREATHE and Poema, Doug Stone, Los Lonely Boys with Xtreme Bulls, Restless Heart, Ozomatli, The Swon Brothers, and Clay Walker. Season tickets and regular ticket sells are doing well and we are ahead of last year.

We plan to have the rodeo ambassador program again. This is about helping the cowboys and customer service. The Queens contest is going well with 6 candidates actively in the contest.

We are excited about the beer gardens. We always encourage responsible drinking. We know some moms like to watch their kids playing while they have a beverage in the nearby beer garden. The cream ale will be served by La Cumbre and Brewers Guild will have tastings as well as a big promotion with the Department of Agriculture at Bollock with local products. We will have a new "brews and shoes"

horseshow contest outside the Palomino bar. This is an official state fair contest and we have 300 to 400 teams already signed up, which represents customers in the bank and is a promotion by the Horse Shoe Association of New Mexico. We are getting a lot of good response especially from millennials, about beer the gardens which include nice furniture, fire pits, etc. The Bucking Bar was very successful and gave patrons the opportunity to meet cowboys. There will be dancing and live local bands. Harley Davidson will be part of this year's fair, bringing in a simulator. This will be lots of fun and we are excited about having them.

Spectaculars are a great draw for the fair especially since they are included in cost of admission making it the best entertainment value. We will once again have the diving show coming as well as a new game show and the very successful magic show. Returning spectaculars include pig races, pony rides, and petting zoo near the main gates, slingshot, pee wee stampede, and the wolves in Lujan again, which were hugely successful and educational.

What's new – sea lions which is an educational show with PhDs who are in the business of protecting the habitat. Folks can even get sea lion kisses for a nominal fee. It will be outside of the Indian Arts parking lot. We will have a street drum corps which is going to knock your socks off, ag adventure, olate dogs, which is a dog show with rescue dogs. We may have pet adoptions as well and are working with the humane society and other shelters. We will have doggie barrel racing also which features well trained animals, a game show for kids, and Kraze maze.

We will hold our unique food contest for which last year's winner was the deep fried green chile cheeseburger. This year we will have a funnel cheeseburger and a deep fried tamale.

We will once again have the Green Chile Cheeseburger contest. Last year's winner was Fuddruckers.

We have the largest parade in the state and this year's theme is Great New Mexicans. We are doing all we can to make it special for the folks in New Mexico. APD estimated last year's attendance at 65,000 people. We are getting mobbed with entries and it should be the biggest to date.

We will once again have theme days such as oil and gas, red ribbon, car themes, senior celebration, military and Veterans Day, New Mexico True and gathering of counties.

The Indian village pole flyers will be back with their 80 foot pole and the flyers suspended from it.

Mr. Mourning talked about the various stages including the African American Pavilion which will feature a gospel day performances and the band Fat City.

Premium books are online and we have had so much interest in home arts and creative arts. Commissioner Brown has been involved with our fine arts programs and we have one of the finest permanent art collections. The commissioner is helping us to identify ways to share that with more folks.

Media and ad campaign locked and loaded with the concept *Talk About a Great Fair*. These are fun commercials and we already have some billboards up and radio is up as we speak. We will work on a

wrap for the Journal which reaches a great cross section of various mediums. Static board is up and digital boards are up Monday for which we will be pushing rodeos and concerts, etc. Thanks to Erin and Oona and the rest of the media team for their efforts. We are doing something neat with national anthem auditions this year. We will be recording them and putting them online. We will allow the public to pick a people's choice winner through social media to make the fair more interactive. We are doing new innovative things such as working to build email databases and hitting social media hard including Instagram, twitter, facebook, yelp etc.

Competitions – Spam contest national winners have come from New Mexico including last year's ten year old youth winner. We will have the green chile stew contest again this year as well.

We are excited to have a new carnival ride being shipped from Italy which will debut at our fair. It will be a huge ride and great for adrenaline junkies. We are very happy about the new carnival partnership which includes monetary guarantees and a higher percentage - it is a win win. The carnival will have a great new kids' area and lots of shade structures to look more like permanent structures. Cable trenching will be underground creating clear paths. It is one of largest carnivals in the world operating since since 1886 and their first venture to West.

School days getting bombarded with interested participants. We partnered with the governor for her summer reading contest and are part of the giveaway for prizes.

We are well ahead of schedule and are meeting the challenges with split race meet and Arabians in between. Mr. Mourning thanked the operations department for a masterful job and said he would put them up against anyone in the country.

Chairman Kennedy asked if the city was finished with the EPA project in the infield. Mr. Mourning advised that yes, they have completed it and it works very well for storm water drainage and allows them more capacity and better use of the facility. Chairman Kennedy asked if it decreased parking. Mr. Mourning advised that this was a state fair initiative but was a cooperative effort as we are no longer an island but actively working in partnership with cities and municipalities. The project saved the city millions over the amount initially discussed. They had planned to divorce themselves of our systems but we worked together for great savings for the city. The plan was good for us as well and we are in complete compliance and in good standing with EPA.

Mr. Mourning acknowledged the recent tragedy with Bart Rutledge, the gentleman who built the damn who was recently hit and killed by a drunk driver. Mr. Mourning described him as an honest man and one of the greatest men he ever met. When others said they couldn't do it, Bart stepped up to the task. He made major contributions to the fair.

Commissioner Sanchez said we need to put horse racing on the beer can next time we have a run. Mr. Mourning said we will definitely take that into consideration.

Commissioner Lee added that the can looks really good and he loves the story on it relating to homegrown traditions and smiling faces – it is a grand slam. Commissioner Lee added that the loss of

the Arabians is also a loss to the Arabian organization as well, despite going to a newer facility. Their city they just went through something similar with the loss of a wrangler competition to Iowa. Those things happen and it provides more fuel for the fire for legislators to start thinking about investing in infrastructure. Commissioner Lee added that from the state level, we need to reinvest in the facilities to bring it up to par. We are already competitive in terms of the staff, friendliness and our price point etc. but something for us to keep in mind as commissioners when we are asked about shows being lost - it's not from lack of trying but relates to our aging facility that need some help.

Commissioner Lee asked if Walgreens is statewide again. Mr. Mourning advised that it is.

Commissioner Lee asked if we know what our numbers were outside New Mexico **(CORRECTION: Commissioner Lee asked what the numbers were outside of Bernalillo County, not New Mexico)** and Mr. Mourning advised that Bill (Nordin) has them will get them to him. Mr. Mourning stated that in the last hour of the promotion, 2,000 tickets were sold and we had pretty good representation from throughout the state. That's where we expect an increase in numbers. We are sending Wayne (Epsteen) to every rodeo fair etc. and he is setting up a booth to promote our fair, so it is not only at the 30,000 foot level but there is a grassroots/handshake element as well. Commissioner Lee said their Walgreens sold the tickets but did not have a sign and asked about encouraging the locations to post on their signs. Mr. Mourning advised that this is part of our agreement with Walgreens and we will make sure they all get the message this year and we will be checking. They have provided us those assurances.

Chairman Kennedy asked if there were any other questions or comments. He stated that Mr. Mourning and the fair staff are doing a good job way and it is great to be ahead of schedule.

Chairman Kennedy said that the next item was the legislative update and inquired about the capital appropriation and asked Mr. Mourning to confirm that we got money. Mr. Mourning advised that we got capital money from the special session which is absolutely good news. We will receive 2.5 million dollars. While our initial request was 11.5 million dollars, we know the requests statewide significantly outpaced the amount of money available. We appreciate the governor and legislature approving the funds which will go a long way with our infrastructure needs such as roofs, sewer lines, etc. We have a 75 year old infrastructure and it is time to replace some things and we must do so correctly - not just patch but replace whole lines etc. This will go a long way in getting us to where we can talk about a new arena, exhibit space etc. Mr. Mourning stated he is very proud of the work the fair has done with improvements but we have a long way to go though we do not want to give the impression the roof is falling and he would put our facilities against any in the country. But to compete for national shows and better concerts, we have to do more. Live Nation says we have perfect routing but the facility isn't big enough. We will still host concerts and there are plenty of uses for the space we but we are not state of the art. UFC has been in contact again and we are pleased that they choose to come to us. We are creative and can have plenty of horse shows, monster trucks, circus, WWE, etc. but to go to the next level we have to think bigger. We must lead the path and it may take unique partnerships to include the private sector and creative ideas. We have started to have these discussions and there is a lot of excitement. We are in a good position because an events center has to be central. You can see

examples of this throughout the country. Don't reinvent the wheel when you have good ingress, egress and parking. It's easy to say no but the people of New Mexico deserve better.

The Chair asked if there were any questions or comments. Commissioner Lee stated he was glad we did get the 2.5 million dollars which is a step in right direction.

Chairman Kennedy reviewed the meeting calendar and advised that we should plan for October for the next meeting. Mid-October will be good as we may have fair numbers by then. Commissioner Brown asked about the possibility of October 21st. The meeting was tentatively set for October 21st at the same time and same location. Chairman Kennedy stated that if there were any specific agenda items, to get them to him.

Action Item: Commissioner Lee made the motion to adjourn with a second by Commissioner Jurado and all commissioners voting yes. The commission meeting adjourned at approximately 12:30 PM.