



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: RES 23-232**

**February 06, 2024**

**Introduced:** 11/29/2023

**Current Status:** Public Works, Facilities &  
Parks - Consent

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to approve an Operating transfer out of \$402,500 for Fiscal Year 2023-24 from Laguna Seca Recreation Area Fund 453, Appropriation unit PFP067 to General Fund 001, Non-Program Revenue Appropriation Unit CAO019, Unit 8041, where Fund 453 has sufficient appropriations in its original adopted budget to finance this operating transfer.
- b. Authorize and direct the County Administrative Office (CAO) and the Public Works, Facilities and Parks (PWFP) to include in their respective budgets for Fiscal years 2025 to 2028 all future annual Operating transfers to General Fund 001, Non-Program Revenue Appropriation Unit CAO019, Unit 8041, for a total amount of \$1,231,959, to be financed by the anticipated revenues from the Sponsorship Fees scheduled to be received from Gruma Corporation (dba Mission Foods) under its Sponsorship Agreement with the County of Monterey, passed and adopted on August 22, 2023.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to approve an Operating transfer out of \$402,500 for Fiscal Year 2023-24 from Laguna Seca Recreation Area Fund 453, Appropriation unit PFP067 to General Fund 001, Non-Program Revenue Appropriation Unit CAO019, Unit 8041, where Fund 453 has sufficient appropriations in its original adopted budget to finance this operating transfer.
- b. Authorize and direct the County Administrative Office (CAO) and the Public Works, Facilities and Parks (PWFP) to include in their respective budgets for Fiscal years 2025 to 2028 all future annual Operating transfers to General Fund 001, Non-Program Revenue Appropriation Unit CAO019, Unit 8041, for a total amount of \$1,231,959, to be financed by the anticipated revenues from the Sponsorship Fees scheduled to be received from Gruma Corporation (dba Mission Foods) under its Sponsorship Agreement with the County of Monterey, passed and adopted on August 22, 2023.

**SUMMARY/DISCUSSION:**

On July 26, 2022, the Board approved the additional funding requested to finance the revised project cost for the WeatherTech Raceway at Laguna Seca (WRLS) Start-Finish Bridge and Racetrack Resurfacing Project (the Project). A total of \$5,612,198 of additional financing was received from the operating transfer from General Fund, Contingencies Appropriation unit CAO020, which included a cash advance of \$1,634,459 as Sponsorship match on behalf of the A&D Narigi Consulting, the WRLS property management company. This advance is due to be reimbursed to the General Fund by December 31, 2023, through additional Sponsorship Revenues. The amount advanced for this sponsorship match was calculated as 20% of the estimated Bridge portion of the Project cost. A&D has to reimburse the County the 20% of the final cost of the Start-Finish Bridge, but not less than the

minimum amount of \$1,035,000. Amount due to reimburse the General Fund remains at \$1,634,459.

On August 22, 2023, the Board approved a Sponsorship Agreement with Gruma Corporation (dba Mission Foods) which will generate a total of \$2 million of Sponsorship Revenues for the County. The revenues from this agreement are intended to repay the \$1.6 million advance from the General Fund. The board report that was approved with this agreement specifically mentioned that the term of this Sponsorship agreement spans over six (6) fiscal years from Fiscal year 2024 through 2029. The County will not receive the total contract fees in FY2024, instead full payment of the \$2M total Sponsorship fees will be received over the term of this Agreement. This Agreement will be excluded from the list of agreements to be assumed and assigned by the County to the Friends of Laguna Seca under the recently Board-approved Concession Agreement.

The full refund of the \$1.6M to the General Fund was included in the FY2023-24 budget with anticipation that the sponsorship revenues will be received by December 31, 2023. However, under the term of this Sponsorship agreement, County will not receive the full amount in fiscal year 2024. Exhibit A provides the suggested revised repayment schedule to General Fund through annual Operating Transfer Out based on the sponsorship revenues expected to be received from the Mission Foods Sponsorship Agreement.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management, and Auditor-Controller's Office have reviewed and approved the contract documents in the Project Special Provisions as to form, insurance and indemnification provisions, and fiscal provisions, respectively.

FINANCING:

Exhibit A provides the financing source of the annual Operating Transfers to General Fund, Non-Program Revenue Appropriation unit CAO019, Unit 8041 and the revised payment schedule.

For fiscal year 2024, the first operating transfer out of \$402,500 is financed by Laguna Seca, Fund 453, PFP067 adopted budget, as it was anticipated to repay the advance this year.

The remaining Sponsorship revenues from the Sponsorship Agreement with Mission Foods shall finance the annual repayments to the General Fund through an operating transfer out of \$355,000 each year from 2025 through 2027, and a final amount of \$166,959 in fiscal year 2028. The remaining amount of \$1,231,959 due for Operating transfer from Fiscal Year 2025 through 2028 will be part of the annual budgets of the CAO and PWWP. This will fully pay the total advance from General Fund of \$1,634,459.

The Laguna Seca Fund 453, Appropriation Unit PFP067 is anticipated to still be in use to recognize the Sponsorship Revenues for the fiscal years 2025 through the end of its term. Otherwise, the anticipated Operating Transfers Out to fully reimburse General Fund will be included in the annual budget of one of the PWWP appropriation units that will eventually house the Laguna Seca transactions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This board report seeks to reimburse the General Fund Contingencies Appropriation some of the financing provided to fund the Laguna Seca Start-Finish Bridge project which was a necessary financial assistance to the Enterprise Fund to promote the recreational activities and events in Laguna Seca, being one of the world-renowned raceways, located here in the County. The future repayment to the General Fund will ensure the availability of more funding in the General Fund to further assist more projects for Economic Development, Administration, Infrastructure, and Public Safety Strategic Initiatives. The recommended action supports the following Board of Supervisors' Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Jessica Cordiero-Martinez, Finance Manager III

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

DocuSigned by:  
Randell Ishii  
99176208FE04F3

12/18/2023 | 2:16 PM PST

The following attachments are on file with the Clerk of the Board:

Attachment A - Mission Foods Sponsorship Payment Schedule

Attachment B - July 26, 2022 County of Monterey - File #: RES 22-148 and  
August 23, 2022 County of Monterey - File #: A 23-395

Attachment C - Copy of Mission Foods Agreement

Attachment D - Resolution