

*Before the Board of Supervisors
County of Monterey, State of California*

Resolution No.: 24-049

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 (4/5th vote required); and)
- b. Authorize and direct the County Administrative)
 Office (CAO) and the Public Works, Facilities and Parks)
 (PWWF) 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.)

WHEREAS, 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;

WHEREAS, this advance is due to be reimbursed to the General Fund by December 31, 2023, through additional Sponsorship Revenues. 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;

WHEREAS, 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;

WHEREAS, under the term of this Sponsorship agreement, 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. 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; and

WHEREAS, per revised payment schedule, for fiscal year 2024, the first operating transfer out of \$402,500, will be financed by Laguna Seca, Fund 453, PFP067 adopted budget. 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 revised payment schedule will fully pay the total advance from General Fund of \$1,634,459.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Supervisors of the County of Monterey hereby adopts 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 (4/5th vote required); and
- b. Authorize and direct the County Administrative Office (CAO) and the Public Works, Facilities and Parks (PWWP) 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.

PASSED AND ADOPTED on this 6th day of February 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Askew, and Adams

NOES: None

ABSENT: Supervisor Lopez

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting February 6, 2024.

Dated: February 12, 2024

File ID: RES 24-232

Agenda Item No.: 40

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California



Vicente Ramirez, Deputy