



Legislation Details (With Board Report)

File #: 21-1063 **Name:** Laguna Seca Business Plan
Type: General Agenda Item **Status:** Passed
File created: 11/30/2021 **In control:** Board of Supervisors
On agenda: 12/8/2021 **Final action:** 12/8/2021

Title: a. Receive a draft business plan and proforma that supports two projects under consideration for funding from A&D Consulting, LLC for Laguna Seca Recreational Area (LSRA);
b. Approve funding the 1) Start/Finish Bridge; and 2) Track resurfacing in the FY 2021-22, 5-year Capital Improvement Program (CIP) and Public Works, Facilities, and Parks (PWFP)-Facilities Work Program, for FY 2021-22; and
c. Provide direction to staff.

Sponsors:

Indexes:

Code sections:

Attachments: , , ,

Date	Ver.	Action By	Action	Result
12/8/2021	1	Board of Supervisors	approved	Pass

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c. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Receive a draft business plan and proforma that supports two projects under consideration for funding from A&D Consulting, LLC for Laguna Seca Recreational Area (LSRA);
b. Approve funding the 1) Start/Finish Bridge; and 2) Track resurfacing in the FY 2021-22, 5-year Capital Improvement Program (CIP) and Public Works, Facilities, and Parks (PWFP)-Facilities Work Program, for FY 2021-22; and
c. Provide direction to staff.

SUMMARY/DISCUSSION:

At the October 19, 2021, Board of Supervisors meeting, the Board considered the request to approve adding the 1) Start/Finish Bridge; 2) Track resurfacing; and 3) Turn 3 Structure as near-term capital needs to the FY 2021-22, 5-year CIP and PWFP-Facilities Work Program for FY 2021-22. The Board of Supervisors approved \$750,000 in funding for the design work for the Start/Finish Bridge and the Track resurfacing, as well as the upgrades to the Turn 3 Structure. However, the Board directed staff to come back with a business plan, in order to consider funding options for the construction phase of the Start/Finish Bridge and the Track resurfacing.

The draft business plan includes an Executive Summary. Following this summary is the Overview of Projects, with project descriptions for the Start/Finish Bridge and Track resurfacing. It will then provide the Business Model that supports the five-year proforma. After discussing its basis, the financials are then presented with a

five-year proforma, and a discussion of the revenues, expenses, and assumptions. The draft business plan then discusses sponsorship opportunities from the private sector, as a means of contributing to the Start/Finish Bridge costs. The plan then talks about the economic impact of Laguna Seca Recreational Area, including the 2022 Schedule of Events and the 2021 Season Metrics. Finally, the plan concludes with the request of the Board of Supervisors to approve these two priority projects for funding.

There has been an important development about the Start/Finish Bridge that was not known before. In the course of the wooden bridge design, it was discovered that the soils near the middle bridge pier (by the track and paddock entrance) are not suitable for supporting the load of a bridge pier, much less vehicle traffic. The soils are weak, do not have cohesion, and are slide-prone. Moreover, the desires and intent of the IndyCar representatives was not known for the upcoming season - they have asked for modifications to the bridge. These changed conditions would have been encountered whether the original steel design was pursued, or this current wooden bridge alternative. Per our consultant and staff, these issues have increased the cost of the bridge by approximately \$1 million, for a total of \$4.875 million.

Project Budget and Projected Costs

The estimated total project costs are summarized below:

- Start/Finish Bridge and Starter Box- \$5.1 million (\$300,000 for design in FY 2021-22 [previously approved] \$4.875 million in FY 2022-23 and FY 2023-24)
- Racetrack resurfacing and minor infrastructure work- \$5.0 million (\$150,000 for permitting and bid in FY 2021-22 and 2022-23 [previously approved] \$4.7 million in FY 2023-24)
- Renovation to Turn 3 Temporary Structure- \$300,000 (for construction in FY 2021-22 [previously approved])
- Total Request for construction of the Start/Finish Bridge and track resurfacing projects - \$9.725 million (unfunded)

OTHER AGENCY INVOLVEMENT:

Laguna Seca Recreation Area has transitioned to the WFP as of November 2021. Staff coordinated with the County Administrative Office on the request and draft business plan.

FINANCING:

The Board of Supervisors provided \$450,000 for the initial design/bidding phase of the Start/Finish Bridge and Track resurfacing. An additional estimated \$9.725 million is required for construction.

At the end of fiscal year 2020-21, Laguna Seca Recreation Area Fund 453 had an ending fund balance of \$1.8 million, which is available to fund these projects. As of December 1, 2021, there is \$18,693,631 available in the Cannabis Assignment. If the Board approved using the \$1.8 million in fund balance and Cannabis Assignment for the remaining \$7.925 million, it would reduce the Cannabis Assignment balance to approximately \$10,768,631. A&D is also looking into private-public partnerships to help fund the projects.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

These near-term capital improvements to the Laguna Seca Recreational Area provide for adequate County facilities and infrastructure, supporting the Board of Supervisors Economic Development, Administration, Infrastructure, and Public Safety Strategic Initiatives by enhancing the safety of County staff, facility occupants, and the public. Recreational activities and events support economic development and promote an experience that would encourage repeat customers.

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

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

Attachments:

Attachment A - Draft Business Plan

Attachment B - Project Description of Bridge Revision by *The Paul Davis Partnership, LLP*