



County of Monterey

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

Board Report

File #: 12-206, **Version:** 1

- a. Accept the Parks Director's recommendation to allow the Sports Car Racing Association of the Monterey Peninsula (SCRAMP) to enter into Amendment No. 2 to their Sponsorship Agreement with Mazda Motor of America (Mazda), for the Laguna Seca Raceway, for an additional period of five (5) years (2012-2017); and
- b. Authorize the Parks Director, on behalf of Monterey County, to execute Amendment No. 5 to the Concession Agreement between SCRAMP and Monterey County approving Amendment No. 2 to the Sponsorship Agreement between SCRAMP and Mazda, including restricting the use of the of the income generated primarily for capital improvements to the Laguna Seca racing facility, Exhibits A and B attached hereto.

RECOMMENDATION

It is recommended that the Board of Supervisors:

- a. Accept the Parks Director's recommendation to allow the Sports Car Racing Association of the Monterey Peninsula (SCRAMP) to enter into Amendment No. 2 to their Sponsorship Agreement with Mazda Motor of America (Mazda), for the Laguna Seca Raceway, for an additional period of five (5) years (2012-2017); and
- b. Authorize the Parks Director, on behalf of Monterey County, to execute Amendment No. 5 to the Concession Agreement between SCRAMP and Monterey County approving Amendment No. 2 to the Sponsorship Agreement between SCRAMP and Mazda, including restricting the use of the of the income generated primarily for capital improvements to the Laguna Seca racing facility, Exhibits A and B attached hereto.

SUMMARY/DISCUSSION

The Sports Car Racing Association of the Monterey Peninsula (SCRAMP) has a 55 year history of promoting major race events at Laguna Seca and, as a "not for profit" organization, has developed a strong connection with the local community as a result of their considerable charitable contribution and programs. The five annual SCRAMP racing events currently generate approximately \$200 million in economic activity to the local community each year.

On February 7, 2012, the Board of Supervisors awarded SCRAMP an extension of the SCRAMP/County Concession Agreement to continue its racing program at the Laguna Seca Recreation Area through March 1, 2013. The Parks Department is currently in discussions with SCRAMP and, if successful, will return to the Board of Supervisors, prior to the end of the Fiscal Year, with a request to extend that Concession Agreement and make other modifications as may be appropriate.

At this time, SCRAMP desires to extend the Sponsorship Agreement with Mazda Motor of America (Mazda) for a third five-year term. During the requested extension term, May 1, 2012 through April 30, 2017, SCRAMP will continue to promote and advertise the raceway as the "Mazda Raceway Laguna Seca", and will also continue to utilize the funds generated primarily to facilitate improvements to the Laguna Seca facility. In order for the SCRAMP racing events to remain competitive within the racing industry and to continue to attract first class racing series, major infrastructure improvements and upgrades are needed at the facility. On-going improvements will help keep SCRAMP and Laguna Seca Raceway in the forefront of the racing industry by upgrading the existing facilities for the safety and convenience of the participants and the spectators of all events held at the facility.

It is therefore recommended that the Board of Supervisors approve the proposed Amendment No. 5 to the SCRAMP/County Concession Agreement that permits SCRAMP to continue its relationship and extend its otherwise expiring Sponsorship Agreement with Mazda for up to five years (if the Concession Agreement is extended) through 2017. Monterey County stands to benefit substantially from the extension of the Sponsorship Agreement with Mazda. First, a minimum of 70% of the total payment amount made by Mazda to SCRAMP shall be designated for the construction and development of capital improvements at the Laguna Seca facility after being approved by the County. And secondly, as with all of SCRAMP's previous physical improvements to the facility,

all resulting permanent structures, facilities and improvements will continue to become the property of the County upon their completion.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the proposed amendments as to form and legality and concurs with the recommendations. The County Administrative Office has reviewed Amendment No. 5 to the SCRAMP/County Concession Agreement and Amendment No. 2 to the Mazda/SCRAMP Sponsorship Agreement and concurs with the recommendations.

FINANCING

The extension of the Mazda/SCRAMP Sponsorship Agreement will result in implementing over \$5.2 million in much needed capital improvements to the Laguna Seca facility. In addition, as a result of the approval and extension of the Mazda/SCRAMP Sponsorship Agreement, the County Parks Department will continue to be provided with the use of two vehicles, per year, for the extended term of that agreement, resulting in cost savings to the department's annual Fleet expenditures.

John J. Pinio
Chief Park Ranger / Director of Parks

Date

Attachments: Exhibit A: Amendment No. 2 to Sponsorship Agreement
Exhibit B: Amendment No. 5 to SCRAMP Concession Agreement
No. A-08150