



Legislation Details (With Board Report)

File #:	A 23-151	Name:	A3 to Choura Events Standard Agreement
Type:	BoS Agreement	Status:	Passed
File created:	4/25/2023	In control:	Board of Supervisors
On agenda:	5/9/2023	Final action:	5/9/2023

Title: Approve and authorize the Monterey County Laguna Seca Representative to execute Amendment #3 to the Standard Agreement between Choura Events and the County of Monterey for a Temporary Hospitality Structure at WeatherTech® Raceway at Laguna Seca to set payment terms for racing season 2023 for the annual lease payments totaling \$450,000, which does not alter the term and not-to-exceed amount per original agreement authorized by the Board in 2019.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Attachment A - A3 to Agreement, 3. Attachment B - A2 to Agreement, 4. Attachment C - A1 to Agreement, 5. Attachment D - Standard Agreement, 6. Completed Board Order Item No. 34

Date	Ver.	Action By	Action	Result
5/9/2023	1	Board of Supervisors		

Approve and authorize the Monterey County Laguna Seca Representative to execute Amendment #3 to the Standard Agreement between Choura Events and the County of Monterey for a Temporary Hospitality Structure at WeatherTech® Raceway at Laguna Seca to set payment terms for racing season 2023 for the annual lease payments totaling \$450,000, which does not alter the term and not-to-exceed amount per original agreement authorized by the Board in 2019.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Monterey County Laguna Seca Representative to execute Amendment #3 to the Standard Agreement between Choura Events and the County of Monterey for a Temporary Hospitality Structure at WeatherTech® Raceway at Laguna Seca to set payment terms for racing season 2023 for the annual lease payments totaling \$450,000, which does not alter the term and not-to-exceed amount per original agreement authorized by the Board in 2019.

SUMMARY/DISCUSSION:

This request supports the use of Choura Events (Choura) for the provision of the Temporary Hospitality Structure at WeatherTech® Raceway at Laguna Seca (WRLS). The County previously entered into an agreement with Choura for the installation of the Temporary Hospitality Structure for term beginning May 1, 2019 through April 30, 2024, with a not-to-exceed amount of \$5,650,000.

Amendment #1 was subsequently done in October 2019 to avoid disassembly of the temporary hospitality structure between the 2019 and 2020 racing seasons, to amend the payment schedule for the 2020 racing season and provided other terms for the protection of the structure during the period November 1, 2019 through March 2020. In addition, Amendment #1 clarified that the Agreement will be for a period of five (5) racing seasons from April 9, 2019 through October 31, 2023, replacing the original term from May 1, 2019 to April 30, 2024.

Amendment #2 followed for additional changes in April 2021 reducing the annual lease payments from

\$775,000 to \$387,000 for fiscal years 2021 and 2022.

The use of this temporary structure allows WRLS to earn additional revenues from Corporate Hospitality gatherings during premier race events mostly to upscale clientele using the hospitality structure to elevate the experience for the guests. The structure is currently sold for all events during the 2023 season. The structure is also utilized for other events outside of major races.

Amendment #3 is to set payment terms for racing season 2023 at WRLS for the annual lease payments totaling \$450,000 against the original not-to-exceed amount of \$5,650,000 up to the amended term ending on October 31, 2023 Any other future amendments to extend the term and not-to-exceed amount will be presented separately to the Board for approval.

OTHER AGENCY INVOLVEMENT

The Office of County Counsel and Auditor-Controller's Office reviewed and approved the proposed Amendment #3 as to form and fiscal provisions, respectively. The office of Risk Management reviewed and approved the insurance coverage and limits.

FINANCING:

The lease payments totaling \$450,000 for the 2023 racing season contracted services provided by Choura Events is within the original not-to-exceed amount in the original agreement. These fees are part of the annual Fiscal Year 2022-2023 budget in Fund 453, Unit 8579, Appropriation Unit PFP067. The fees incurring in Fiscal Year 2023-2024 are included in the upcoming budget of Fund 453 for Fiscal Year 2023-2024. Financing source for the costs for this agreement is coming from events revenue that WRLS will be charging its guests including the fees for all the services provided to those using the hospitality structure, which based on historical data, could be about 30% of the total events revenue.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors Strategic Initiatives for Economic Development, Administration and Infrastructure as the facility hosts visitors traveling locally, nationally, and globally to attend the events held at WRLS and showcases all the County has to offer.

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

Prepared by: Ryan Bell, Administrative Operations Manager, LSRA, (755-8912)

Reviewed by: Bryan Flores, Chief of Parks

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

Attachment:

Attachment A - Amendment No. 3 to Agreement

Attachment B - Amendment No. 2 to Agreement

Attachment C - Amendment No. 1 to Agreement

Attachment D - Standard Agreement
(Attachments are on file with the Clerk of the Board)