



County of Monterey

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

Board Report

File #: A 21-424, **Version:** 1

- a. Approve and authorize the County Administrative Officer, or designee, to execute an Agreement with INDYCAR, LLC for the production and execution of an annual major race event at WeatherTech Raceway Laguna Seca in the years 2022-2024 for a total Sanctioning Fee of \$1,350,000 per year if not the finale event and \$1,600,000 per year if the finale event, as requested by A&D Narigi Consulting, LLC; and
- b. Approve and authorize the County Administrative Officer, or designee, to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% (\$160,000) and do not significantly change the scope of work. (ADDED VIA ADDENDA)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the County Administrative Officer, or designee, to execute an Agreement with INDYCAR, LLC for the production and execution of an annual major race event at WeatherTech Raceway Laguna Seca in the years 2022-2024 for a total Sanctioning Fee of \$1,350,000 per year if not the finale event and \$1,600,000 per year if the finale event, as requested by A&D Narigi Consulting, LLC; and
- b. Approve and authorize the County Administrative Officer, or designee, to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% (\$160,000) and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

A&D Narigi Consulting, LLC, (A&D) requests approval to enter into an agreement with INDYCAR, LLC to produce and execute three (3) major events in accordance with requirements provided by the County at WeatherTech Raceway Laguna Seca (WRLS). The events will be scheduled for 2022-2024.

If the finale is scheduled at WRLS, Laguna Seca Recreational Area Manager has offered INDYCAR an end of year reception at a retail value of \$250,000 as an option. If INDYCAR agrees, the sanctioning fee would remain at \$1,350,000. The reception would allow for 800-1000 guests of INDYCAR at an offsite location with time restrictions. Service would be provided by the venue or a private track-approved caterer. It is estimated that the event would cost 80-85% of the retail value with a potential catering commission paid to WRLS. Guests would include teams, Indy sponsors, and Indy corporate executives. The main reason for the offer is to entice INDYCAR to hold the finale here. At this time, a party is not confirmed but the language is noted in the sanctioning fee language of the agreement. This request is made by our LSRA manager, A&D Narigi Consulting, LLC.

Live broadcast will be carried on the NBC network and international affiliates in over 175 countries and on live pay-per-view streaming.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved the Agreement as to form.

FINANCING:

LSRA Fund 453 is currently running with a small positive cash balance and expenditures are trending higher

than revenue. If this trend continues the fund will need to reduce expenditures, increase revenue or seek a General Fund subsidy. The Management firm has submitted budgets indicating that a positive net income is expected and continues to advise that they will manage to positive end of year results. Approval of contracts increasing expenditures may add to the deficit if the Management firm is not successful in generating a positive operating income in Fiscal Year 2022.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The items included in this report relate to the Board of Supervisors Strategic Initiatives on Economic Development and Administration.

- ☒ Economic Development
- ☒ Administration
- ☐ Health and Human Services
- ☐ Infrastructure
- ☐ Public Safety

Prepared by: Lavonne Chin, Administrative Operations Manager, ext. 7214

Approved by: Charles J. McKee, County Administrative Officer

Attachments: INDYCAR, LLC Agreement