



## Board Report

---

**File #: 25-644, Version: 1**

---

### **..Title**

- a. Receive a verbal update and presentation from Friends of Laguna Seca regarding the required Business and Facility Master Plans as outlined in the Concession Agreement for the Operation and Management of the Laguna Seca Recreation Area and the agreed upon sound study, and;
- b. Consider granting an extension to the Friends of Laguna Seca for completion of the Facility Master Plan.

### **RECOMMENDATION:**

It is recommended that the County of Monterey Board of Supervisors:

- a. Receive a verbal update and presentation from Friends of Laguna Seca regarding the required Business and Facility Master Plans as outlined in the Concession Agreement for the Operation and Management of the Laguna Seca Recreation Area and the agreed upon sound study, and;
- b. Consider granting an extension to the Friends of Laguna Seca for completion of the Facility Master Plan.

### **SUMMARY/DISCUSSION:**

The Laguna Seca Recreation Area (LSRA) is a County of Monterey (County) regional park that encompasses approximately 552 acres, located at 1021 Monterey Salinas Hwy, Salinas, CA 93908. LSRA was formerly part of the Fort Ord Army Base, which, in 1957, permitted the Sports Car Racing Association of the Monterey Peninsula (SCRAMP) to develop and use the land as an automobile racing facility. In 1974, the United States deeded the property to the County. LSRA is home to the iconic WeatherTech® Raceway at Laguna Seca, Laguna Seca Rifle and Pistol Range, multiple campgrounds and miles of hiking, cycling and equestrian trails.

On July 18, 2023, the County entered into a Concession Agreement for the Operation and Management of the Laguna Seca Recreation Area (Agreement) with the Friends of Laguna Seca (FLS). Due to various circumstances, the Agreement did not become operational until August 1, 2024 (Operational Date), following FLS satisfying numerous Conditions Precedent as detailed in Section 2.3 of the Agreement. The initial term of the Agreement is for five and one-half (5 ½) years, with two (2), twenty-five (25) year extensions being granted upon the expenditure of at least fifty million dollars (\$50,000,000).

As stated in Section 4.11 of the Agreement, FLS shall present status reports on and updates to the Business Plan to the Board of Supervisors on an annual basis. As the Operational Date was later than anticipated, FLS was not required to present a Business Plan update to the Board on or before January 31, 2025, as it was only five (5) months since taking over the Concession Premises. As the Business Plan will be a fundamental driver for the Facility Master Plan implementation, an update at this time is being requested.

Since the Operational Date and as required by Section 5.2 of the Agreement, FLS has invested significant resources in addressing immediate repairs needed for track operation, guest services, infrastructure stability and public safety. Section 5.2 of the Agreement also states that within one year of the Operational Date, FLS will present a Facility Master Plan (FMP) to the Board of Supervisors. The FMP is intended to reflect FLS' long-term vision for alterations, additions and improvements to the Concession Premises. The FMP shall also include a Short-Term Capital Improvement Program (STCIP) to be completed within five (5) years of the Operational Date. In addition, FLS has agreed to undertake a sound study to maximize efforts of mitigating noise generated at LSRA as a component of the FMP.

FLS has faced multiple challenges since taking over LSRA operations that have delayed completion of the required update, plan and study. Entering into the operational phase of the Agreement in the middle of the major event season, having multiple management and staffing changes, completion of urgent repair projects and discovery of unknown deficiencies and issues with LSRA infrastructure have all impacted the completion of the FMP. With regards to the sound study, a highly experienced firm has been monitoring sound for both track rentals and major events for a majority of the calendar year. Following the last event of the season on September 27, 2025, the firm will have substantial data to analyze, in order to make a meaningful recommendation for sound mitigation at the facility.

FLS has stated that additional time is needed to complete the FMP and sound study. FLS has been refining their business plan and have identified certain opportunities that are to be important components of the FMP. In addition, FLS has stated that they are considering the significant long-term infrastructure needs of LSRA as well as developing the branding and aesthetic that the FMP needs to reflect as part of the forward Business Plan to make the facility stand out in the highly competitive event and destination market with great success for many years.

FLS is formally requesting an extension until the fourth quarter of Calendar Year 2026, to bring forward a complete FMP and sound study along with the associated investment to realize the FMP.

Given the complexity of taking over operational management of the LSRA facility in a very short period of time and the reasons stated by FLS for the delay, staff is recommending that the Board of Supervisors grant the extension requested by FLS.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed this report as to form and legality.

FINANCING:

Receiving the report will have no effect on the County general fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Laguna Seca Recreational Area provides direct and indirect financial impacts to the County and its residents. The Concession Agreement, Business Plan and Facility Master Plan supports the Board of Supervisors Economic Development, Infrastructure, and Public Safety Strategic Initiatives by supporting local and regional economies through tourism, substantially reducing General Fund contributions for maintenance and operation of the facility, protecting and improving County assets, and enhancing the safety of the County staff, facility occupants, and the public. Recreational activities and events support economic development and promote an experience that would encourage repeat customers. The recommended action supports the following Board of Supervisors' Strategic Initiatives:

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

Prepared by: Bryan Flores, Chief of Parks, (831) 796-6425

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

Attachments:

Attachment A - Concession Agreement

(Attachments are on file with the Clerk of the Board)