



March 20, 2023

Dear Council Members,

As requested, I have attached financial information identifying revenue and expense estimates for the 4th District Agricultural Association in a scenario where the association only produces the annual Sonoma-Marin Fair and does not manage the facility year-round. Financial information from our 2022 Statement of Operations (STOP) is also provided for comparison. The status quo information is not estimated but shows actual numbers rounded to the nearest thousandth from the STOP.

As you will see, without the net revenues earned from our permanent and daily rental profit centers, there is an estimated loss of almost \$1 million. It has been the mantra of the 4th District Agricultural Association Board that our Fair provides a diverse experience that offers agricultural education and family entertainment opportunities. The annual fair should make lifetime memories.

Just as crucial to our DAA leadership is a pricing structure that makes the Fair experience affordable to all families in the geographical area served. This priority caused us to move to the Pay-One-Price gate admission over 20 years ago. In essence, our carnival and entertainment attractions are included in the price of fair admission. We are one of a handful of California Fairs that offer this valuable pricing structure to our community because attending your hometown fair should be experienced by everyone.

We have received little information that explains how the city plans to financially support the 4th DAA's efforts to produce the annual Sonoma-Marin Fair. However, it has been suggested that funding support would be transitional, implying that there is an expectation that any shortfalls will be shored up in a few years. Without the revenues earned from being a year-round community center, it will be challenging to produce a breakeven event without drastically increasing the price per person for the fair experience. Additional conversations must be had to fully understand what the City Council has planned for the facility and the continuation of the annual Fair.

After having the same business model for over 80 years, splitting out some of the revenue and expense line items outlined in the attached spreadsheet was difficult. Ideally, this information should be revisited after our 2023 Fair.

Please contact our CEO, Tawny Tesconi, if you need additional information or clarification.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Parks".

Michael Parks, President
4th DAA and Sonoma-Marin Fair Board

175 Fairgrounds Drive, Petaluma, CA 94952 • 707-283-FAIR (3247) • 707-283-3250 (fax) • info@sonoma-marinfair.org

www.sonoma-marinfair.org

ANNUAL SONOMA-MARIN FAIR • COMMUNITY EVENTS • SHOWS & EXHIBITIONS
PRIVATE CELEBRATIONS • ON-SITE SERVICES • SCHOOLS

4th District Agricultural Association
Approximate Cost to Produce Fair without Facilities (includes
comparison to Current Business Model)

INCOME	Fair Only	Status Quo
Admissions to Grounds	\$ 700,000	\$ 684,000
Concession & Vendor Revenues	\$ 200,000	\$ 202,800
Exhibits	\$ 45,000	\$ 48,000
Parking	\$ 16,500	\$ 19,000
Sponsorships	\$ 65,000	\$ 65,000
Miscellaneous Fair Income	\$ 18,500	\$ 36,000
Non-Fair Income		\$ 986,000
SUBTOTAL	\$ 1,045,000	\$ 2,040,800
AB 1599 Funds	\$ -	\$ -
Base Allocation	\$ 25,000	\$ 38,000
TOTAL INCOME	\$ 1,070,000	\$ 2,078,800
EXPENSES		
ADMINISTRATION (Even without Fair, year-round costs)		\$ 457,000
Administration Salaries (CEO & AGPA), including overtime	\$ 200,000	
Contacted Services - Admin	\$ 13,000	
Directors Expense	\$ 2,000	
Employee Travel & Training	\$ 3,000	
Office Supplies	\$ 20,000	
Telephone	\$ 13,000	
Postage	\$ 4,000	
Dues & Subscriptions	\$ 10,000	
General Liability Insurance	\$ 40,000	
Office Janitorial Service	\$ 6,000	
Misc Admin Expenses	\$ 10,000	
Unemployment Insurance	\$ 10,000	
Financial Audit Expense	\$ 10,000	
Office Equipment (not capitalized)	\$ 5,000	
MAINTENANCE (Even without Fair, year-round costs)		\$ 561,000
Moving Equipment Maintenance	\$ 25,000	
Trash	\$ 3,000	
Supplies	\$ 13,000	
Tools & Equipment (not capitalized)	\$ 15,000	
Shop Area Maintenance and Fencing	\$ 50,000	
Equipment Replacement Fund	\$ 25,000	\$ 37,000
FAIRTIME WAGES		\$ 1,170,000
Wages - Administrations	\$ 6,000	
Wages - Attendance (Including Info Booth)	\$ 40,000	
Wages - Attractions	\$ 7,000	
Wages - Exhibits	\$ 80,000	
Wages - Maintenance	\$ 80,000	

4th District Agricultural Association
Approximate Cost to Produce Fair without Facilities (includes
comparison to Current Business Model)

FAIRTIME CONTRACTORS		
Concession Auditor	\$ 4,000	
Pipe & Drape Rentals - Vendors	\$ 5,000	
Equipment Rentals	\$ 20,000	
First Aid	\$ 10,000	
Gate Admissions	\$ 5,000	
Golf Carts	\$ 8,000	
Grounds Clean-Up	\$ 20,000	
Grounds Sound	\$ 5,000	
Lodging	\$ 16,000	
Security & Law Enforcement	\$ 85,000	
Sweeping & Pressure Washing	\$ 2,000	
Tents	\$ 10,000	
Trash Removal	\$ 5,000	
FAIRTIME SUPPLIES & OTHER		
Attendance Expense	\$ 135,000	
Maintenance Supplies	\$ 40,000	
Miscellaneous Supplies	\$ 15,000	
Sponsorships	\$ 7,000	
Attractions Expense	\$ 390,000	
Carnival Expense	\$ 185,000	
Publicity Expense	\$ 65,000	
Exhibits Department	\$ 95,000	
NON-FAIR EXPENSES		\$ 10,000
SUBTOTAL	\$ 1,817,000	\$ 2,235,000
GASB annual actuarial adjustment	\$ 190,000	\$ 190,000
PERS retirement	\$ 58,000	\$ 78,000
TOTAL EXPENSES	\$ 2,065,000	\$ 2,503,000
NET LOSS	\$ (995,000)	\$ (424,200)

ASSUMPTION: The Association will not pay office rent, shop compound rent or utilities for the areas the Fair occupies, including the annual Fair. The 4th DAA will keep the current shop area; office space location to be discussed.



City of Petaluma Response

What is the needed footprint for the Sonoma-Marin Fair?

Assuming that no significant capital improvements are completed, to produce the Sonoma-Marin Fair on the Petaluma fairgrounds property, we would need the fair footprint to remain the same as we have used for the last eight decades.

Comments by Location

Parking Lots (Main and Lot B)

We could use more space for public parking than we currently have with the Main Parking Lot and Lot B. At peak times, our parking lots fill, and people park in the neighborhoods and at the Target shopping center.

Carnival Lot

The grassy lot is ideal for the carnival and auxiliary vehicles and living quarters that need to be staged. A small section on the south end of the lot is used for an attraction.

Speedway

An attraction offered to fairgoers is a night of racing. During our annual fair, we have also staged destruction derbies, tuff truck competitions, and monster truck shows.

Livestock Area

The Livestock Area encompasses the barn area and the grassy parking lot to the east of it. We use all the barns for our exhibits program and bring a rented clear-span tent structure for our fur and feather entries. The parking lot is used for day-only vehicles and RV parking for our large animal exhibitors. This parking lot fills up daily, and overflow is sent to the main parking lot.

The area also has a permanent horse show arena for our traditional Farmers' Day event.

Shop Area (We would like year-round use of this facility)

This is the heart of our operations area. The compound has two shops that our maintenance and janitorial teams work from. It has a prop storage area, hazardous materials storage, equipment storage, and housing supplies.

Exhibit Buildings

Herzog Hall, Showcase Hall, and the Community Building feature entries in our exhibits program. In addition to exhibits, the Community Building partially contains our interactive Ag Education area. This indoor section of the educational display complements a tented area outside that features baby animals and farming demonstrations.

Beverly C Wilson Hall

For 2023, this building is being used as our sponsor hospitality area. Sponsors are an integral part of our programming, and this area provides their representatives a place to converse with our board members and other VIPS during their visit to the Fair.

Main Exhibit Hall

This hall features vendors selling wares and promoting businesses. In addition, we have an attraction area inside the building that provides fairgoers a respite from the heat.

Petaluma Stage (Gardenway Stage)

A flagship of our fair is the quality concerts we produce that are free with fair admission. The stage and adjacent lawn area need to be bigger, and we could use a larger footprint for this fair feature.

Wine Garden Area

The Wine Garden Area allows fairgoers to enjoy award-winning wines in a relaxed, beautiful area. Patrons are charged for wine tastes, so this is a profit area for the fair.

Kiwanis Stage

The Kiwanis Stage and adjacent lawn area provide fairgoers a secondary entertainment area to experience regional bands, and multicultural entertainment, watch the World's Ugliest Dog Contest, or sit down and enjoy a meal under the tent. This area could be more significant for several acts or contests.

The Concourse

The promenade that welcomes fairgoers as they enter the main gate is called "the concourse." This walkway allows guests to wander between attractions and is lined with food and craft vendors. Benches are also spaced along the concourse to enable fairgoers to take a break from their fair adventure. On our larger days, this area is filled with fairgoers.

Administration Office (We would like year-round use of this facility)

The Administration Office is the control center for the annual fair. In the months leading up to and during the Fair, upwards of a dozen people are working out of this building. It also houses our board (meeting) room which is essential to our organization.

Portable Buildings (Live Oak)

At fair time, several portable classrooms are used for our operation teams. The admissions department, security company, and the Petaluma Police Department use this facility.

Electronic Sign on Washington Street (We would like to maintain management of the sign)

The 4th DAA purchased and installed this sign in the last few years, and it is an essential asset for the annual Fair. We want to maintain management of it which will include selling ad space.

What are the dates needed by the 4th DAA?

Annual Fair: For the annual fair, we need access to the livestock area and buildings three weeks before the fair and two weeks after the fair. We will need access to all outdoor areas two weeks before the Fair. The Carnival Lot and lawn areas must be watered, maintained, inspected, and repaired for trips and fall hazards.

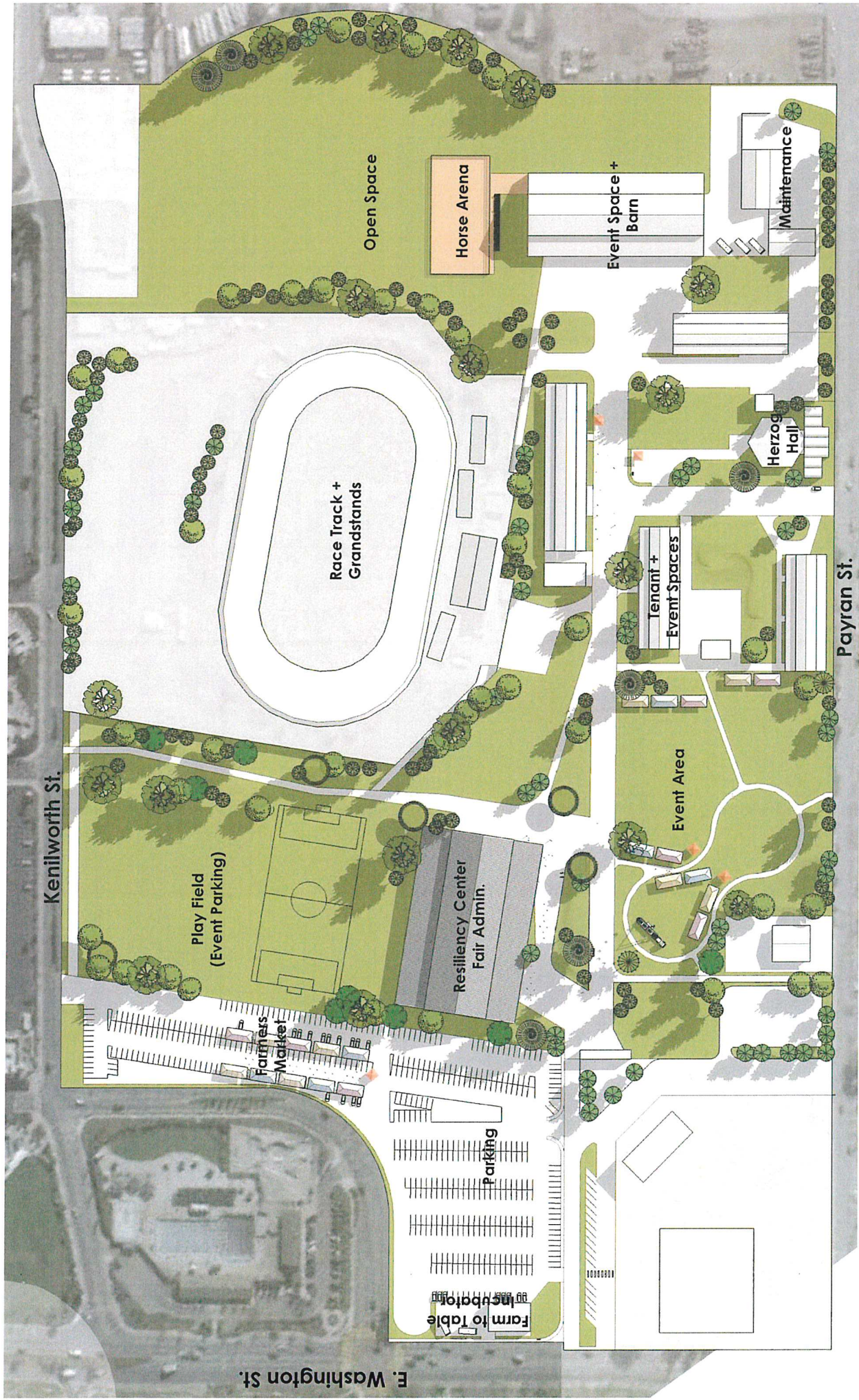
North of the Gate Wine Competition: As part of our mission, we provide competition for wines produced in 11 northern California counties. The wine is judged sometime in late April or early May. For this competition, we need Herzog and Beverly C Wilson halls. We require access a week before and two days after the judging.

Petaluma Ag Day: This educational event is held on the last Friday in September. This event uses Herzog Hall and the area around the hall and the livestock barns. We would need these facilities a week before and one day after the Ag Day event.

Volunteer Appreciation Dinner: This event is usually held in October in Herzog Hall to thank the fair volunteers. It is on a weeknight, and we will need access to the hall one day before and one day after the dinner.

Assumptions

- The facility will be provided in working order with all plumbing, electrical service, walkways, concourse, buildings, barns, locks, gates, and landscaping in pristine working order.
- It is assumed that any on-site, City-owned tables, chairs, stages, sound system, and ancillary equipment will be available for the 4th DAAs use at no cost to the DAA.



Kenilworth St.

Payran St.

E. Washington St.

Farm to Table Incubator

Parking

Farmers Market

Resiliency Center Fair Admin.

Play Field (Event Parking)

Race Track + Grandstands

Horse Arena

Event Space + Barn

Maintenance

Herzog Hall

Tenant + Event Spaces

Event Area