

Response to request from the City of Petaluma
Re: Rental Management Services for the Petaluma Fairgrounds
(Revised May 30, 2023)

Good Faith Intent: The 4th District Agricultural Association (“DAA”) and the City of Petaluma’s (“City”) elected and appointed officials will enter into this agreement understanding that this partnership is provisional to provide the time needed to explore a minimum long-term alliance of the property of at least 40 years through master planning and public participation.

Agreement Term: January 1, 2024, through December 31, 2028.

Partnership Overview: The 4th DAA will act as the facility rental agent for the Petaluma Fairgrounds property with responsibilities like those that the 4th DAA currently performs. The 4th DAA will retain property management of all non-year-round rentals, and the City will provide facility-use policies to be mandated to facility users.

In addition, the 4th DAA will continue producing the annual Sonoma-Marin Fair, Petaluma Ag Days, the North of the Gate Wine Competition, and events and activities associated with these events. The 4th DAA will also have blanket approval for complimentary facility use for other events or activities to support the association’s effort.

The City will negotiate and manage year-round leases, including facility improvements, maintenance, and repairs.

Specific facility amenities under the rental management of the 4th DAA:

- Herzog Hall and adjacent areas
- Main Exhibit Hall and adjacent areas
- Gardenway Stage and lawn area
- Wine Garden Area
- Beverly C Wilson Hall
- Livestock Area (excluding area occupied by paintball)
- Carnival Lot
- Concourse and support buildings like restrooms and concession stands.
- Main Parking Lot
- Parking Lot B
- Administration Building
- Maintenance Shop Area

Management of Rental Program Responsibilities:

The 4th DAA will manage all non-year-round uses at the Petaluma fairgrounds. Tasks include:

- Promoting rental uses of the facility.
- Accepting facility reservations.
- Managing the facility calendar.
- Negotiating rental terms and conditions based on mutually agreed upon policies.

- Preparing the rented space, including placement of equipment.
- Meetings with renters to discuss their events.
- Minor repairs (under \$1,500) and maintenance of rental spaces.
- Post-rental damage assessment, facility clean-up, and equipment inventory.
- Management and rental of the electronic sign.
- Management of facility access, including the electronic gate.

City of Petaluma’s Responsibilities:

The City will be responsible for property mowing and landscaping, utility bills, significant repairs (over \$1,500), HVAC maintenance, capital improvements, and all repairs and maintenance projects related to year-round leases.

Capital Improvements of Facilities:

The City will be responsible for all facility capital improvements. When possible, the DAA will seek capital improvement funding, but with a five-year service agreement, not a long-term lease, it is doubtful that capital improvement funding will be granted.

Compensation to 4th DAA:

The DAA will retain all facility rents collected under the terms of this agreement. In addition, all parking sales operations will be managed by the 4th DAA, with all proceeds going to the association, including motorized racing.

Alcohol Service:

The Friends of the Sonoma-Marín Fair nonprofit organization provides alcohol service for non-traditional facility renters. Under this agreement, this policy would continue.

Staffing:

The staffing requirements below include rental management services and production of the annual Sonoma-Marín Fair and other traditional events hosted by the DAA.

1 FTE CEO

1 FTE A.G.P. Analyst

.5 FTE Office Assistant

1 FTE Senior Maintenance Worker

.5 FTE Maintenance Worker

Financial Consideration:

The DAA will need additional support beyond the revenues generated and the expenses transferred to the City with this partnership. The City has also indicated an interest in staff sharing.

Additional conversations between the two organizations need to take place to determine the shortfall.

Potential In-Kind Costs Absorbed by City

Expenses to be absorbed by City that is already factored into the Pro Forma

- Utilities
- Grounds Upkeep, Major Maintenance Projects, Capital Improvement Projects

Expenses that City may absorb:

- Liability Insurance
- Police Coverage for Fair

Potential Funding Opportunities:

- TOT Funds
- Sales Tax Funds
- Measure U
- Recognize the support needed as a facility management fee.
- Sponsorship of Exhibits Program, Ag Days

Future Discussion Topics

- Clearly defined roles and financial considerations related to emergency response efforts.
- Calendar Management
- Logistics
- Communication Plan