

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **MAY 24, 2011**

From: *MD* **JAMES DURFEE / MARY DIETRICH**

Subject: **PLACER COUNTY FAIRGROUNDS UPDATE**

ACTION REQUESTED: Receive an update on the Placer County Fairgrounds Operating Agreement and the All American Speedway and provide staff direction as appropriate.

HISTORY: The Placer County Fairgrounds property comprises approximately 61 acres of land located within the incorporated boundary of the City of Roseville. This property is bounded by Washington Boulevard and Union Pacific Rail lines on the east, the Los Cerritos Neighborhood Association on the south, the Kaseberg-Kingswood Neighborhood Association on the west and a commercial development and Junction Boulevard on the north.

This property was initially purchased in 1935 by civic-minded Roseville businessmen who were intent on developing a fairground in Roseville. Between 1937 and 1941, properties (various lots from the Bonnie Brae Acres subdivision) were serially sold to the County after the Placer County Fair Association constructed improvements on the parcels. This mutual public/private strategy allowed the Fair Association to secure state funds that were available for capital improvements at fairgrounds. Records indicate that the original property owners formed the Placer County Fair Association in 1938 and were thereafter required by the Board of Supervisors to remain responsible for the maintenance and upkeep of the properties. Although County records do not contain all of the contractual agreements back to the 1930's, it appears the Fair Association has managed this property for 74 years.

With regard to the Speedway, staff's review of available records indicates the racetrack started out in 1955 as a quarter mile dirt track for Jalopy and Super Modified race cars. At that time, the racetrack also doubled as the rodeo stadium. In 1972, the track was paved and renamed the All American Speedway. During this era, the Speedway hosted many motorsport events showcasing different types of cars and racing including the popular Enduro Series and the Rose Classic which attracted many west coast racers. In December 2006, the Fair Association notified the County that its Board of Directors had recently approved a project at the Speedway to improve the track's safety characteristics. At the time of this of this notice, this work was already underway and was subsequently completed in early 2007.

Today the Fairgrounds annually hosts between 75,000 and 80,000 visitors at events including the Placer County Fair, Speedway racing, the Berry Fest, numerous shows and expositions, and community based local organizations. Permanent tenants include a community K-6 school, a preschool, and the Speed World track for radio control cars.

Community groups including the Quilt Guild, Roseville Rock Rollers Club and the Roseville Roundhouse Model Railroad Club meet regularly in buildings on the Fairgrounds. For the last three years, the Fair Association has managed this operation at a fiscal break-even point with revenues and expenses each running at approximately \$1.3 million annually. The Speedway generates more than 50% of this revenue. Based upon research from the California Department of Food and Agriculture (CDFA), Division of Fairs and Expositions, county fairs are economic engines resulting in sales tax, transient occupancy taxes, and local spending activities. CDFA estimated in 2009, the Placer County Fair generated approximately \$12 million dollars in economic benefit to the state and local economy.

GRAND JURY REPORT: On February 1, 2011, the Placer County Grand Jury published a report entitled "All American Speedway Noise - Placer County Oversight Failure". This Report criticized the Placer County Fair Association for its enlargement of the Speedway without first obtaining construction permits and the County for its management of the contract. The Report also asserted a number of community impacts associated with modifications to the track. Formal responses to the Grand Jury's Findings and Recommendations have been provided by the Board of Supervisors, the Department of Facility Services and the Community Development Resource Agency. A copy of the Grand Jury Report, the County responses and community correspondence regarding the Speedway are on file at the Clerk of the Board's office.

MANAGEMENT OF THE FAIRGROUNDS: As noted above, Facility Services' research indicates that the Fair Association has continuously managed and operated the Fairgrounds for the County since 1938. The Fair Association is presently operating under a contract with the County (Contract Number 11520) which established a term of five years effective January 1, 2002. The Fair Association continues to operate and manage the Fairgrounds pursuant to an extension provision contained in the Agreement. While this Agreement requires the Fair Association to manage all aspects of the Fairgrounds operations, its primary focus is on Association's responsibilities to hold the annual Placer County Fair and its related administrative requirements.

STATUS OF PROPOSED AGREEMENT: Staff is currently negotiating a new, more comprehensive Operating Agreement and except for Speedway specific provisions, the Agreement is nearly ready for finalization. In contrast to the existing Agreement, the new Operating Agreement will address all aspects of the Fairgrounds management. The significant provisions in the draft include:

- General operating and maintenance provisions pertaining to the overall Fairgrounds property
- Provisions requiring the Fair Association to conduct the Placer County Fair in compliance with CDFA procedures and policies
- Budget and reporting provisions
- Requirements for prior approval of capital improvement projects
- Participation in community outreach meetings

Additionally, more restrictive provisions regarding the Speedway have been tentatively agreed upon between staff and the Fair Association including:

- Limitations on operating hours for the Speedway
- Limitations on Speedway days of use
- Compliance with requirements of a noise study
- Preparation of an Operating Manual containing best practices

NOISE STUDY: Since its introduction in 1955, racing has been an on-going entertainment venue at the Fairgrounds. Since the track modifications in 2007, the City has reported an increase in noise complaints. In April 2007, County and City officials, as well as representatives of the Fair Association worked to address neighborhood concerns. During that time, the Fair Association contracted with J.C. Brennan & Associates to perform an assessment of noise reduction options for the Speedway. This work included collection of continuous and short-term noise monitoring to determine the condition with and without a race event. The study recommended construction of a 10' tall exterior barrier to achieve noise reduction within surrounding neighborhoods. The Fair Association has informed staff that it will be again contracting with J.C. Brennan & Associates to perform a study to follow up on the 2007 report. This study will address the following items:

- Review and update sensitive receptor locations
- Review previously recommended noise control measures
- Evaluate effectiveness of existing noise attenuation methods
- Conduct new noise measurement surveys and data collection
- Provide recommendations for interim improvements and monitoring

A subsequent phase of the noise study will:

- Collect additional noise data (if required)
- Perform analysis and modeling
- Prepare noise control recommendations
- Prepare a noise level monitoring plan

In order to capture noise data from representative race events and the national event in October, finalization of the noise study will occur in Fall 2011. Collectively, the results of this study will be necessary to frame the final provisions of the Operating Agreement pertaining to the Speedway.

FAIR ASSOCIATION ACTIONS: The Fair Association has indicated publically that it is committed to addressing community concerns resulting from operations at the Speedway.

To this end, the Fair Association is:

- Participating in negotiations with the County for an Operating Agreement to conduct the annual Placer County Fair and to manage and operate the Fairgrounds property
- Willing to participate in meetings with the County, City of Roseville and community groups to discuss operational issues resulting from use of the Fairgrounds
- Contracting for a noise assessment
- Voluntarily agreeing to restrict days and hours of Speedway operations to be consistent with current negotiations (current agreement has no limitations on use)
- Purchasing and installing new public address system with directionally oriented speakers (work complete) and
- Making modifications to the existing sound barrier to improve noise attenuation

Depending on the results of the noise assessment, the Fair Association has informed staff that it is also considering the use of FM band communications in the pit area; extension of the sound wall on Turn 2; and modifications to the pit viewing area.

CONCLUSION: The Placer County Fair Association has managed the Fairgrounds in Roseville for approximately 74 years and has operated the Speedway for 56 of those years. The County is concerned by the neighborhood complaints and is striving to develop an Operating Agreement which contains operating and management provisions to reasonably resolve outstanding issues and facilitate co-existence with the surrounding neighborhoods.

Next steps in this process include receiving input and direction as a result of this update; finalizing agreement with the Fair Association on the basic provisions of the Operating Agreement; completion of the noise study in order to finalize provisions of the Agreement pertaining to the Speedway; and participation with the Fair Association, City and community in desired outreach efforts.

Cc: County Executive Office

Available for Review at the Clerk of the Board's Office: Grand Jury Report
County Response to Grand Jury Report
Community Comments on Speedway