

Consent Agenda - February 28, 2012

REVENUE CONTRACTS

A: INTERIM RENTALS:

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2012-38	Monterey Bay Area Fight Club	April 28, 2012	Harvest Building - MMA Fights	\$ 2,950.00
2012-39	American Crown Circus	May 3-6, 2012	Parking Area - Circus	\$ 2,725.00
2012-40	John Powers	January 27, 2012	Arts Building - Memorial	\$ 1,700.00
2012-41	Fox N' Horn	May 19, 2012	Horse Show	\$ 450.00 *
2012-42	Watsonville Saddlites	May 20, 2012	Horse Show	\$ 450.00 *
2012-43	American Computer Barrel Racing	May 26-27, 2012	Horse Show	\$ 1,000.00 *
2012-44	PG&E	March 22, 2012	Harvest Building - Meeting	\$ 700.00
2012-45	Happy Trails RV Club	May 30, 2012	RV Rally	\$ 200.00 **
2012-46	Jesse Maragoni	All Year	Road Access in Winter	\$ 500.00
2012-47	Rosa Gutierrez	June 23, 2012	Crosetti - Quinceanera	\$ 2,300.00
2012-48	Sun Coast Pinto Club	June 3-4, 2012	Horse Show	\$ 900.00 *
2012-49	Watsonville Saddlites	June 10, 2012	Horse Show	\$ 450.00 *

* Please note: Horse Shows are per arena per day and will have more charges after show (work-ups, stalls, etc.)*

** Please note: RV Rallies are deposits only. RV's are charged \$25.00 per rig per night. Contractor will pay at the end of the event or when billed **

B: COMMERCIAL EXHIBITORS - FAIR:

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
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C: COMMERCIAL FOOD VENDORS:

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2012-01	Tornado Concession	September 11-16, 2012	Fair Concessionaire	\$ 1,700.00
2012-02	SCCF Heritage Foundation	September 11-16, 2012	Fair Concessionaire	\$ 1,000.00
2012-03	SCCF Heritage Foundation	September 11-16, 2012	Fair Concessionaire	\$ 1,000.00
2012-04	Aroma Catering	September 11-16, 2012	Fair Concessionaire	\$ 1,600.00
2012-05	R&S Family Concession	September 11-16, 2012	Fair Concessionaire	\$ 700.00
2012-06	Pon's Chinese Food	September 11-16, 2012	Fair Concessionaire	\$ 2,200.00
2012-07	Events Food Service	September 11-16, 2012	Fair Concessionaire	\$ 700.00
2012-08	Rawlings Concession #1	September 11-16, 2012	Fair Concessionaire	\$ 1,200.00
2012-09	Rawlings Concession #2	September 11-16, 2012	Fair Concessionaire	\$ 700.00
2012-10	Rawlings Concession #3	September 11-16, 2012	Fair Concessionaire	\$ 1,100.00
2012-11	Sani's Ice Cream Factory	September 11-16, 2012	Fair Concessionaire	\$ 900.00
2012-12	Sani's Ice Cream Factory	September 11-16, 2012	Fair Concessionaire	\$ 900.00
2012-13	Grandpa's Fudge	September 11-16, 2012	Fair Concessionaire	\$ 1,000.00

C: COMMERCIAL FOOD VENDORS (CONT.)

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2012-14	Whiting's Food Concession	September 11-16, 2012	Fair Concessionaire	\$ 1,100.00
2012-15	McClendon Concession	September 11-16, 2012	Fair Concessionaire	\$ 800.00
2012-16	Cabrillo Host Lions	September 11-16, 2012	Fair Concessionaire	\$ 1,700.00
2012-17	Conkle's Concession	September 11-16, 2012	Fair Concessionaire	\$ 900.00
2012-18	Happy Day Pony Ride	September 11-16, 2012	Fair Concessionaire	\$ 2,222.00
2012-19	3-B's Concession	September 11-16, 2012	Fair Concessionaire	\$ 1,200.00
2012-20	Corralitos Padres	September 11-16, 2012	Fair Concessionaire	\$ 700.00
2012-21	Papa Magdaleno's Coffee	September 11-16, 2012	Fair Concessionaire	\$ 700.00
2012-22	KG Enterprises	September 11-16, 2012	Fair Concessionaire	\$ 1,400.00
2012-23	Big Jims Concession	September 11-16, 2012	Fair Concessionaire	\$ 2,200.00
2012-24	Rotary Hamburger	September 11-16, 2012	Fair Concessionaire	\$ 1,200.00
2012-25	Fraser Concessions	September 11-16, 2012	Fair Concessionaire	\$ 1,600.00
2012-26	Noel's Food, Inc.	September 11-16, 2012	Fair Concessionaire	\$ 1,000.00
2012-27	W&R Country Fair Cinnamon Rolls	September 11-16, 2012	Fair Concessionaire	\$ 2,100.00
2012-28	Clover Deli	September 11-16, 2012	Fair Concessionaire	\$ 1,000.00
2012-29	JLT Concession	September 11-16, 2012	Fair Concessionaire	\$ 700.00
2012-30	PHD & Me	September 11-16, 2012	Fair Concessionaire	\$ 1,200.00
2012-31	Dannie Lewis	September 11-16, 2012	Fair Concessionaire	\$ 500.00

Please Note: These are all guarantee deposits (excluding contract #18).

D: SPONSORSHIP

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
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EXPENSE CONTRACTS:

E: STANDARD AGREEMENTS:

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2012-10	Doron Brenner	January 10 - December 31, 2012	Computer Technician	\$ 4,440.00

F: JUDGING AGREEMENTS:

<u>NUMBER</u>	<u>CONTRACTOR</u>	<u>AGREEMENT TERM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
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MEMORANDUM

DATE: February 17, 2012
MEETING OF: February 28, 2012
FROM: Staff
RE: Discussion / Action Item X.2 – Execute Agreement for Contract Sales Agent

BACKGROUND

Paul has 5+ years of local experience in the Santa Cruz County hospitality industry and has worked with the Santa Cruz Chamber of Commerce Board on their annual event. Staff feels that professional help is needed to generate the necessary new rentals, sponsorships, event center promotion, etc. that will provide an income stream to maintain the Fair.

FISCAL IMPACT

See attached proposal.

STAFF RECOMMENDATION

That the Board approve a motion to execute an agreement with Paul Zech to serve as Senior Vice President of Sales for Independent Group/Event sales, Sponsorships and Donations.

ATTACHMENTS

- Proposal from Paul Zech

Letter of Agreement
Group/Event/Sponsorship Sales Position
Santa Cruz County Fairgrounds

Revision 3.0 Feb. 16, 2012

This will serve as a letter of intent whereas; Paul Zech, 199 Ramada Ln. Aptos, CA. 95003, will serve as; "Independent Group/Event Sales Agent, Sponsorship and Donation Contractor" for the Santa Cruz County Fairgrounds serving at the pleasure of the Board of Directors on a month to month basis.

Position Purpose:

- I. Perform day to day group and event sales and bookings of all events on behalf of and for the fairgrounds
- II. To represent, solicit, negotiate and secure on behalf of the fairgrounds for clients; available dates and event space for all business renting any/all facilities, and other revenue related items as listed below at the fairgrounds
- III. Compensated on a sales performance basis; a percentage of the space rental and other incremental revenue streams as agreed upon between Paul Zech and Santa Cruz County Fairgrounds, and as outline below in "Group and Event Sales Performance Compensation"

Position Scope of Service:

- I. Paul Zech performs the day to day responsibilities of booking and reserving space at all venues located within the fairgrounds property for all future events (excluding Ocean Speedway unless otherwise agreed upon by the board and/or based on event request for the racetrack specific and approved by all parties concerned)
- II. Fairground management and staff to provide Paul with all historical and current/future and pending event booking agreements, contacts, leads and other pertinent information necessary to; restore, regain, retain and grow revenues for the fairgrounds in accordance with the terms and conditions herein and approved by the management team and/or board of directors
- III. Paul Zech will represent and communicate the Santa Cruz County Fairgrounds in a professional manner that ensures, protects and enhances the fairgrounds reputation and business methods during his tenure
- IV. All business defined as: new/lost returning, repeat, referral and all new and/or existing database contacts as retained or recognized remains the proprietary and exclusive property of the Santa Cruz County Fairgrounds
- V. It must be agreed; a high level executive title for this position be provided to help Zech open doors. Clients feel a higher level of confidence dealing with an executive representative with whom they are dealing with on behalf of the fairgrounds ultimately netting more events and revenues

Expenses, Tools and Supplies:

Paul Zech will provide at his expense: Lap top, cell phone, mileage, gas, auto repair & maintenance, client entertainment expenses as needed, professional attire and other related expenses in order to draw new business for the Fairgrounds. Paul will also provide business cards, letterhead and envelopes (with approved content, logo and layout)

Group and Event Sales Performance Compensation:

The following compensation is proposed between Paul Zech and Santa Cruz County Fairgrounds. It is the intent of Paul Zech to seek both short and long term compensation to scale up over the duration of this and future agreements to gain job and financial security for both parties

A. It is desired that one hundred percent (100%) of the commission due payments be paid from the nonrefundable portion of deposits upon receipt of deposits whenever possible. Paul understands and agrees that; the deposit must be able to cover that commission and meet the minimum amount of deposit the Fairgrounds typically requires too meet their minimums. If this criteria can't be met, Paul accepts payment on an as can be paid basis

B. Commission payments to be made a minimum of every four weeks on those deposits received and/or when checks are scheduled to be cut and delivered based on its regular schedule

C. Commission Payments are gross payment without taxes being withheld

D. Paul Zech will be responsible for his own taxes and benefits under this agreement unless otherwise eventually and mutually renegotiated and agreed upon by both parties to this agreement

E. Expenses incurred such as: medical insurance, cell phone, auto maintenance and gas, laptop computer and etc. will be paid/provided by Paul Zech from commission earnings. Client visits that are within four (4) hour driving range of fairgrounds will also be at Paul's expense. The exception to this item is if the fairgrounds "Management Team" request Paul attend revenue source related conferences, meetings and etc. that require out of town travel, and then those expenses will be reimbursed after expense account and receipts have been turned in and approved by fair manager

I. New and (Lost/Returning) Business: 25%

A. It is understood and agreed **no business that is already contracted** prior to official start date and/or is a frequent account of the Fairgrounds will be commissioned to Paul. Approved list too be provided and approved by both parties prior to official start date

B. **New and Lost Returning Business Defined as;** any new business coming under contract that has either never held an event at the fairgrounds and/or have not been back for more than one (1) year however; if it is an event that rotates on any kind of annual basis for example; every two, three or four years, they are considered repeat business (no commission paid). **Lost/returning business means** it has been a Fairgrounds client previously but stopped doing business for one reason or another but, Paul Zech affected/influenced and contracted their return (and commission will be paid)

II. Repeat Business: 20%

Defined as; any business that returns to the fairgrounds that was initially contracted by Paul Zech. This valuable revenue source needs to be nurtured and a healthy relationship built and maintained in order to preserve repeat business revenues for both fairgrounds and Paul

III. Miscellaneous Revenue Stream Commissions

Paul will seek & secure ancillary revenue streams for the fairgrounds through various sponsorship types, fundraising, cash, real estate and/or real property gifting and other creative and approved methods. These revenues will generally have very little to no cost or expenses affiliated thus garnering a higher net gain for the fairgrounds after the commission has been deducted upon receipt of money. This revenue stream may be better accepted by donor(s) if, it could be paid to "Heritage Foundation" because of its (501c3) tax status, and Paul's commission paid from Heritage Foundation on a pass through basis to and from the fairgrounds (process yet to be determined)

A. Sponsorships, Fund Raising, Cash, Real/Personal Property Donations Annual (calendar year basis) Revenue Cumulative Commission Scale

\$1,000-\$75,000 – 30% commission when received in a calendar year

\$75,000 plus– 25% commission when received in a calendar year

IV. Food, beverage and other related concession commissions

It is important to note that part of the entire sales process is generating revenues in as many revenue departments as possible, for growth in total annual Fairgrounds revenue needs and goals.

A. Paul will receive 25% of the 25% of total revenues received by Fairgrounds on all related concession revenue sources related to business contracted by Paul

Example #1 Bar sales are \$1,000.00 Fairgrounds receives 25% = \$250 and Paul receives 25% from Fairgrounds of \$62.50

Example #2 Parking for an event brought in by Paul; sales are \$1,000.00 Paul receives 25% from Fairgrounds. This is on new & repeat business only brought in by Paul. The goal is new events generate new found parking revenue for the fairgrounds that would not likely have come to the fairgrounds without a successful sales effort

Example #3 Food and/or Snack Bar opens for event brought in by Paul; same payment applies as described in Example #1 and/or #2 above

Example #4 Admission revenues: same payment applies as described in Example #1 and/or #2 above

Note: When food, beverage, and other related concession sales are not shared with a third party and fairgrounds earns 100% of the revenue, Paul will receive 25% of that 100% total revenue

Exit Strategy: Should either party terminate this agreement; any commissions due on any paid or unpaid event and/or related revenue business and/or scheduled sponsorship and/or donation receivables arranged by Paul will be paid to Paul upon receipt by fairgrounds and/or a pass through basis from the Heritage Foundation as defined above; Paul will be paid on same items should any event, sponsorship and/or donation revenue received rebook and/or be paid to either entity again for the following year or up to (18) months later after its last event date. After that point no further commission payments will be paid

Example: Event X is booked by Paul for June 2012 and Event X rebooks for June 2013 while Paul is still under contract with Fairgrounds. In November 2012 one of the two parties to this agreement terminates Paul. Event X returns in June 2013, Paul will be paid commission as previously defined. After that event date of June 2013 and the event rebooks for 2014 and/or beyond, Paul will not receive commission. **Sponsorship Y** made donation in June 2012, in November Paul leaves and Sponsorship Y makes another donation in 2013, Paul will be paid commission as previously defined. Sponsorship Y makes another donation in 2014, Paul will not receive commission

Relevant Notes:

- The annual Santa Cruz County Fair event dates are excluded from Paul's revenue earnings, unless a plan to increase new found sponsors/vendors/exhibitors is approved by the management team and/or board of directors, and payment structure defined above
- Any business on the books and contracted prior to the actual agreement date are also excluded
- It is important to consider continued discussions with sponsorships, donations and endowments/bequeathed such as cash and/or personal and real property: It is felt a donor may be more comfortable and secure donating to the "Heritage Foundation" because of the 501C3 status and/or its reputation and management of those funds on behalf of the Fairgrounds