



REDWOOD ACRES

Facilities and Operations Planning Summary 2017

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Table of Contents

Executive Summary	1
Background	2
District Agriculture Association	2
The Fair	2
Evolution of the Fairgrounds	3
Supporting Studies.....	4
Current Conditions	8
Region.....	8
Neighborhood	9
Site	10
Facilities and Infrastructure	12
Organizational Structure.....	16
Community Use.....	18
Conclusions	20
Site	20
Facilities and Infrastructure	20
Organizational Structure.....	21
Community Use.....	21
Recommendations	22

Executive Summary

In Humboldt County, Calif. Redwood Acres Fairgrounds (RAF) provides a venue for education and entertainment. Since 1937, its prime objective has been to hold an annual fair highlighting local agriculture and artisanship, but it also serves other critical community purposes, such as providing a venue for events and small business ventures. As one of 52 state-controlled District Agricultural Associations (DAA), RAF receives limited funding from the state of California, but is supported by a variety of state agencies and is subject to most laws related to public entities and facilities.

Currently, RAF's Executive Director, supported by administrative and maintenance staff, manage the facility and its tenants and users. A Board of Directors oversees many functions performed by RAF staff and provides guidance and direction on the operations and management of the facility. A nonprofit organization, "Friends of Redwood Acres" (FRA), offers fund development and community outreach to support activities that help improve the programs and facilities at RAF.

To work toward self-sufficiency and provide value to the local community, RAF has engaged in numerous recent planning efforts to identify opportunities and barriers to its development. This document serves to outline the breadth of those efforts, to identify the context for planning future work, and to summarize key findings and next steps.

WHY?

Maintaining RAF's positive impact in the community requires a clear vision of where the organization has been and where it is going. This Planning Summary aims to:

1. Document the work that has been done this far to aid Redwood Acres in its transformation
2. Develop clarity for potential partners and funders regarding opportunities and constraints
3. Outline possible next steps for RAF's development

Moving forward, RAF has a selection of key activities to undertake. Recommendations range from deeper technical analysis of the site to development of a cohesive marketing plan. RAF's Executive Director and Board are tasked with prioritizing the next steps and implementing them.

Background

District Agriculture Association

Since 1880, the 9th District Agricultural Association (DAA) has held a fair in Humboldt County. The fair was held in different locations in the county until 1937 when the 9th DAA settled on the outskirts of Eureka, Calif., where it became Redwood Acres Fairgrounds (RAF).¹ In the past 90 years, RAF has grown to be a dynamic site and organization, with multiple buildings and more than 50 acres that support a wide range of community activities.

As a DAA, RAF primarily exists to hold fairs, expositions, and exhibitions to highlight various industries, enterprises, resources, and products of the state, particularly agricultural. RAF operates under the purview of several state agencies to support agricultural enterprises in Humboldt County.² Additional roles and responsibilities, as outlined by the California Department of Food and Agriculture (CDFA) are to be a gathering space for the community, rent facilities to the community, and potentially serve as an emergency staging site.³

The Fair

With the exception of the second World War, Redwood Acres Fairground has held its annual fair each summer since landing in its current location. As a DAA, RAF is required by the state law to keep the facility in working order; this is because a DAA's primary purpose is to serve as a fairground each year. During the annual fair, rides, concessions, livestock demonstrations, and craft displays draw locals and tourists each summer.

¹ Redwood Acres Fairgrounds, "History," *Redwood Acres Fairgrounds*, 2017, <http://www.redwoodacres.com/p/about/147>.

² CDFA, "Governmental Organizational Relationship," https://www.cdfa.ca.gov/Fairs_&_Expositions/Fair_Information/Governmental_Organizational_Relationship.asp.

³ CDFA, "Fair CEO Orientation," <https://www.cdfa.ca.gov/Fairs.../CEO/F&ECEOOrientationPowerPointSlides.pptx>.

Evolution of the Fairgrounds

RAF has maintained its unique offerings to the community over the years while adapting to meet changing conditions. For example, RAF's original fair heavily featured horse-racing. Today, horse boarding and showing are still prevalent. The original fair featured over 100 small business ventures demonstrating and selling locally-made products.⁴ Ninety years later, small businesses remain an integral part of RAF's operations.

Some challenges have been more difficult. In 2013, a drastic reduction in state contributions to operating budgets for fairgrounds throughout the state; RAF experienced an 85% drop in annual revenues. This impacted its ability to host events, pay staff, and perform facility maintenance.

In response to financial pressures, Redwood Acres diversified its activities, transitioning many of its interim rental spaces to term lease spaces. Buildings previously only used for fair activities have been fully converted to dedicated tenant uses; other facilities are offered for temporary use and shared by multiple renters throughout the year. RAF is able to increase revenues by more fully utilizing its facilities and infrastructure throughout the year, capturing value from both one-time events and long-term leases. Redwood Acres remains one of a few fairgrounds in the nation to have made such a move, turning to long-term rentals to meet budget constraints head on.

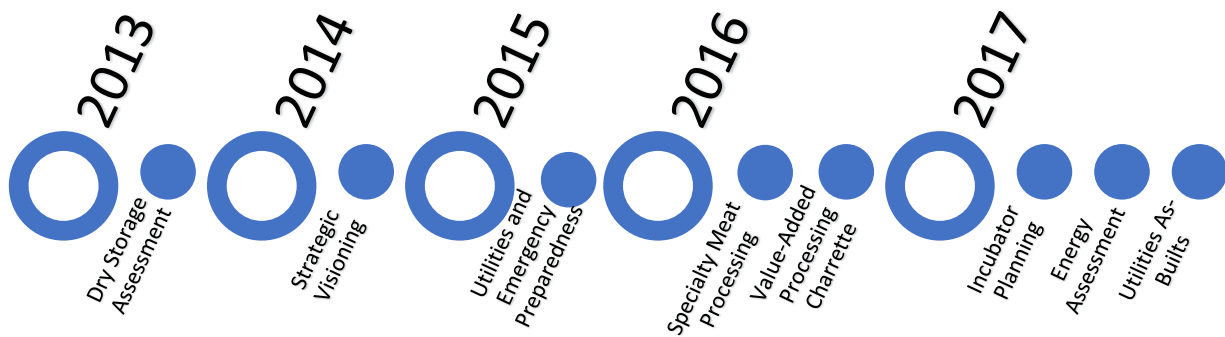
Many of the converted facilities now provide rental space for a variety of food, beverage, and other natural products producers, keeping with the organization's commitment to agricultural showcasing. Redwood Acres has become a *de facto* food business incubator.⁵

⁴ Redwood Acres Fairgrounds, "History," *Redwood Acres Fairgrounds*, 2017, <http://www.redwoodacres.com/p/about/147>.

⁵ Greenway Partners, "Specialized Meat Processing Study," (Feasibility Study, Arcata, 2017).

Supporting Studies

Since 2013, Redwood Acres has worked with Greenway Partners, a project management group based out of Arcata, Calif. The following are studies and planning efforts coordinated with the help of Greenway that support this *Facilities and Operations Planning Summary*.



Dry Storage Assessment (2013)

This study took place after RAF staff received multiple calls from community food producers and distributors looking for storage space. This study assessed whether the demand was significant enough to justify the construction of a dry and/or cold storage facility. Ultimately, it was found that the interest was contingent on additional amenities or services not available at RAF at that time. Redwood Acres decided not to construct a dry storage facility. However, the interest in food and agriculture-related facilities informed later work.

Strategic Visioning (2013-2014)

To help RAF refocus its priorities after the budget reductions of 2013, Redwood Acres Board and Staff engaged in a strategic visioning process between 2013-2014. This visioning process continues to guide RAF's development today.

The group validated RAF's core purposes:

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- 1. serve as a major food and agriculture entrepreneurial hub;*
 - 2. be an events center and recreational destination;*
 - 3. provide value added support services for primary producers;*
 - 4. support the community; and*
 - 5. be a major contributor to the North Coast economy. ⁶*
-

Utilities and Emergency Preparedness Assessment

As suggested in the DAA's Roles and Responsibilities, RAF may serve as a location for evacuation and staging in emergencies like wildfires and earthquakes.⁷⁸ Redwood Acres has partnered with Red Cross and served as an emergency evacuation and staging site on occasion. RAF has applied for funding to complete a full site study to ensure the grounds could adequately support evacuees, livestock, and emergency personnel during and after a natural disaster. Although funding requests have to-date been unsuccessful, RAF continues to pursue opportunities to provide emergency support by identifying resources, partnerships and facilities needs for preparedness.

Specialty Meat Processing Study (2016)

Similar to the Dry Storage Assessment, the Specialty Meat Processing Study was initiated after a series of inquiries about space for meat processing at RAF. In 2016, the study identified opportunities and constraints around establishing a full-service specialty meat processing facility housed at RAF. Despite anecdotal evidence of need in the community, an assessment of opportunities and constraints identified that a full-service facility at RAF would not be cost-effective and may compete with an already established business. However, the study revealed

⁶ Greenway Partners, "Strategic Visioning Summary 4-17-14," (unpublished document, 2014).

⁷ CDFA, "Fair Board of Directors Handbook,"
https://www.cdfa.ca.gov/Fairs_&_Expositions/documents/FairBoardDirectorsHandbook.pdf.

⁸ CDFA, "CA Fairground Disaster Support,"
https://www.cdfa.ca.gov/Fairs_&_Expositions/Documents/FCERP/CA_Fairground_Disaster_Support_Final_Web.pdf.

other opportunities for RAF to pursue, such as providing ancillary value chain elements including cold storage, business incubation support, and a commissary kitchen.

Value-Added Production Facilities Charrette (2016)

Completed concurrently with the Specialty Meat Processing Study, the Value-Added Production Facilities Design Charrette offered key stakeholders a chance to engage with RAF's many proposed developments. Participants provided input on gaps in the market and needs that such a facility should address. The design consultants, Greenway and Philippe Lapotre, sketched out potential site layouts and facilities uses to help conceptualize how RAF could structure future development scenarios.



Incubator Planning (2016-2017)

Throughout the previous efforts, RAF maintained its focus on finding ways to support small, local food and agriculture businesses. As of 2017, the *de facto* business incubator at RAF was formally evaluated for its feasibility and a plan for supporting small food and agriculture tenants while also stabilizing revenue for the fairgrounds was prepared. The planning effort resulted in:

- **Strategic Analysis:** an assessment of the financial and operational logic behind the concept of a business and tourism hub.
- **Management Handbook:** a guidebook for managing an operation that supports small business development in conjunction with tourism activities.
- **Tenant Passport:** a tool to help RAF guide its small business tenants in developing strong foundations through careful planning and resource connections.

Energy Use and Generation Assessments (2017)

As identified in the Strategic Visioning process, the transition to long-term leases for tenants presents a need for clearly identifying costs for developing and servicing specific facilities. One of the key costs, especially for food producers, is energy. Greenway assessed energy costs for key uses and users at Redwood Acres to evaluate potential efficiency gains and cost savings through electricity rate changes, technology upgrades and renewable generation. This included looking at individual tenant operations as well as possible future developments. Greenway recommended financing opportunities and energy monitoring technologies that could enable RAF to enhance the efficiency of the fairgrounds and streamline billing for tenant energy use.

Utilities As-Builts (2017)

Utilizing deferred maintenance funds granted by the State, Redwood Acres is planning a partial study of underground utility lines, including water and gas lines. The goal of the study is to identify potential underground conflicts with emergency fire line upgrades requested by the state. The study will be undertaken by the end of 2017. With accurate information about underground utilities locations, RAF can more safely plan for future facility development and save potential cost and time delays associated with accidental discovery or damage of lines.

Other Studies Needed

Information from the studies above have led to a clearer vision of RAF's capability to serve its goals of education and tourism and also be a vibrant hub of small business activity in the region. These incremental investigations developed specificity for the next phases of RAF's evolution. As financial resources allow, RAF intends to continue investing in its future development. Additional studies may be necessary to ensure developments are appropriately sized and located, avoid costly planning and design mistakes, and evaluate operational feasibility.

Current Conditions

Region

Humboldt County is often described as hiding “behind the Redwood Curtain.” The county is rural, with just over 135,000 people living on over 4,000 square miles. Roads in and out of Humboldt are often subject to closures in wet, winter weather, often cutting off access to traditional supply lines and economic activity. Even in good weather, the two main roadways in and out of Humboldt County (Highways 101 and 299) present challenges for the shipment of goods. Highway 299 is curvy and frequently under construction. Industry standard-sized trucks are currently prohibited from traveling portions of Highway 101 due to narrow roadways.⁹



The region is known for its agricultural industries, particularly beef and dairy. Entrepreneurship in the food industry is also common in the region and many of the small businesses that start in the area emphasize goods with locally grown products. Humboldt has an above-average percentage of small businesses and self-employed individuals; these entrepreneurs helped grow the local food and beverage sector by over 50% between 2006 and 2012.¹⁰

With the demand for facilities for entrepreneurs in an already limited market, finding small business space can be a challenge. Additionally, since the legalization of cannabis in California, Humboldt County has seen a dramatic increase in the rates businesses are paying to rent facilities. As a result, fewer affordable facilities are available to start-up businesses. RAF will not lease

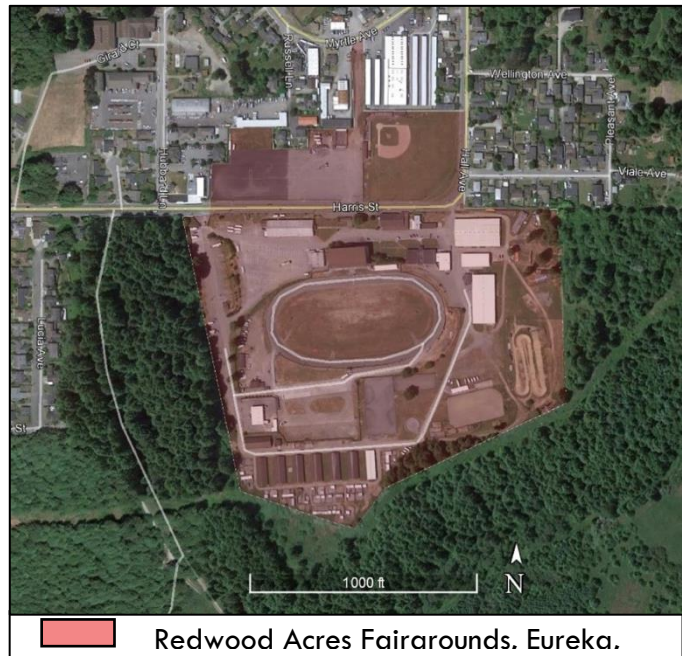
⁹ Caltrans, “Richardson Grove Improvement Project,” http://www.dot.ca.gov/dist1/d1/projects/richardson_grove/.

¹⁰ Dennis Mullins, “Business Sense: Humboldt Self-Employed Workforce,” (*Times Standard*, 1/7/15) <http://www.times-standard.com/article/NJ/20150117/BUSINESS/150119876>.

space for cannabis cultivation, processing, or sales, and has opted instead to target businesses displaced by cost prohibitive rents.

Neighborhood

A working redwood forest surrounds three-quarters of the Redwood Acres property. This forest, the McKay Tract, is a sustainably logged area owned by Humboldt County; plans are in place to develop multiple recreational trails through the property. Two or three trailheads are being considered which would allow people to access the trails from RAF property¹¹. The two properties could mutually benefit each other, with RAF horse riders and RV tenants utilizing the trails, and trail visitors coming to patronize RAF businesses.



Harris Street, which connects Hwy-101 with Myrtle Avenue, bisects the northern and southern portions of the Fairgrounds. This busy road, passes through a mix of residential and business areas. The northern portion of RAF, which includes a paved parking lot and batting cages, is surrounded by residential neighborhoods and businesses. The neighborhood is a solidly middle-class area of town, with an average age of 35 and an average household income of \$42,885.¹²

¹¹ "McKay Community Forest" (County of Humboldt, 2017) <http://www.humboldt.gov/1808/McKay-Community-Forest>.

¹² "Humboldt County, California" (Onboard Informetrics, 2017) http://www.city-data.com/county/Humboldt_County-CA.html.

¹² "Humboldt County, California" (Onboard Informetrics, 2017) http://www.city-data.com/county/Humboldt_County-CA.html.

Redwood Acres is serviced by a variety of agencies. Humboldt Bay Fire and the Humboldt County Sherriff's Department provide emergency response services. Humboldt Waste Management Authority provides waste removal. Utilities are provided by Humboldt Bay Municipal Water District and PG&E. And for patrons lacking transportation, Humboldt Bay Transit offers a bus route along Harris St., directly to RAF's entrance.

RAF Service Providers:

Humboldt Bay Fire, District 1
Humboldt County Sherriff's Department
Humboldt Waste Management Authority
Humboldt Bay Municipal Water District
PG&E
Humboldt Transit Authority

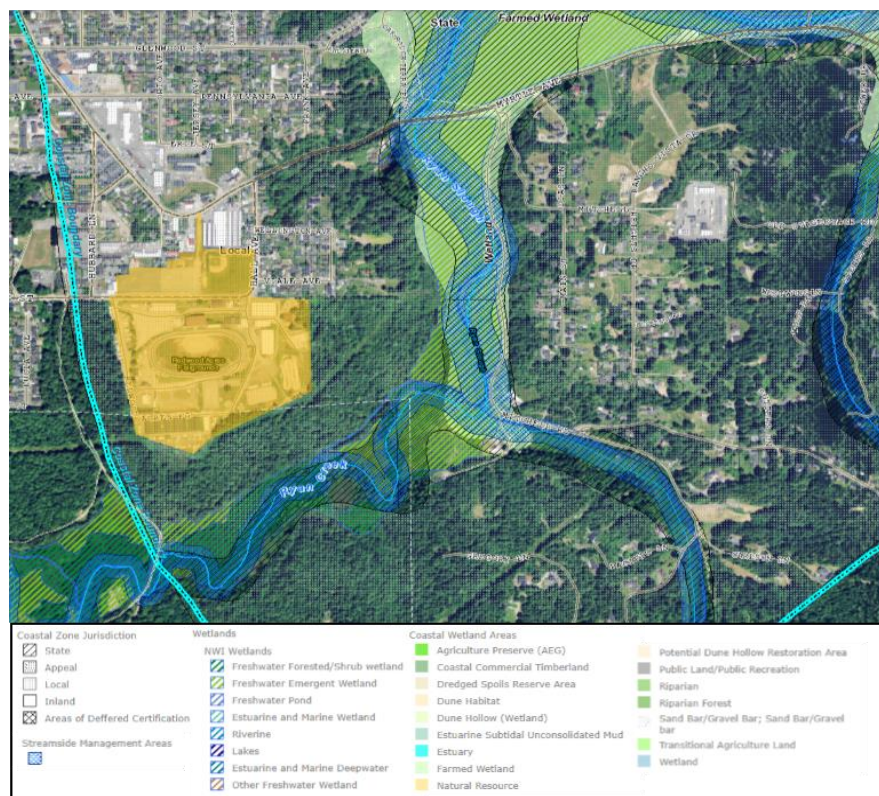
Site

Jurisdictions and Regulations

Redwood Acres Fairgrounds exists in a unique jurisdictional position. It is a DAA on state-owned property that is no longer fully funded by the state. It is located in an unincorporated area of Humboldt County, bordering three neighborhoods considered for annexation by the City of Eureka. It is also located in the Coastal Zone.

This set of conditions creates a complex web of considerations for RAF before projects are undertaken on the fairgrounds.

Despite the unique nature of historic state



Coastal Zone and Wetland Boundaries, source: Humboldt GIS

fairgrounds, RAF is subject to all environmental, historical, construction, and coastal development policies and procedures. There are no special exemptions for state lands or DAAs in these cases.

As a DAA on state land, RAF is required to follow all state construction policies and codes. While DAAs are afforded some freedoms most state agencies are not, such as having their own bank accounts, they are required to contact the Department of General Services (DGS) if they are leasing or selling any property. RAF's construction projects must go through CFSA construction authority and are subject to specific bidding and procurement processes (e.g. low-bid) for projects that exceed a certain cost threshold.¹³

CEQA applies to all "projects," as defined in Title 14 California Code of Regulations. Cause for additional environmental studies will be evaluated further during an expanded Master Planning process or for individual project development. Certain CEQA exemptions for Feasibility Studies or Planning may apply.

RAF does have some buildings over 50 years old. One-to-one replacements are generally exempt from CEQA. In 2017, the old Milk Barn was replaced by placing a new modular facility on the old slab to meet this requirement. However, if significant changes are planned, their historic importance will need to be further evaluated, and CEQA may be triggered.

As RAF is located within the Coastal Zone, certain projects will require a Coastal Development Permit and are subject to Humboldt County's Local Coastal Plan. Based on a brief review of existing documents, Ryan Slough is an area of concern for coastal zoning regulations. No additional hazards or sensitive areas of concern are located on or near the property.

RAF is located in a portion of unincorporated Humboldt County that borders the City of Eureka. In 2015, the City evaluated the potential annexation of districts, including those in which RAF falls. Most of the fairground property falls in the "Myrtletown" neighborhood. Some outlying RAF sections fall into the McKay Tract (West and South) and the Mitchell Heights Area (East). According to a June 2014 meeting on annexation, the City quickly established that Mitchell Heights would not be annexed. Through the course of an initial analysis, the McKay Tract was also

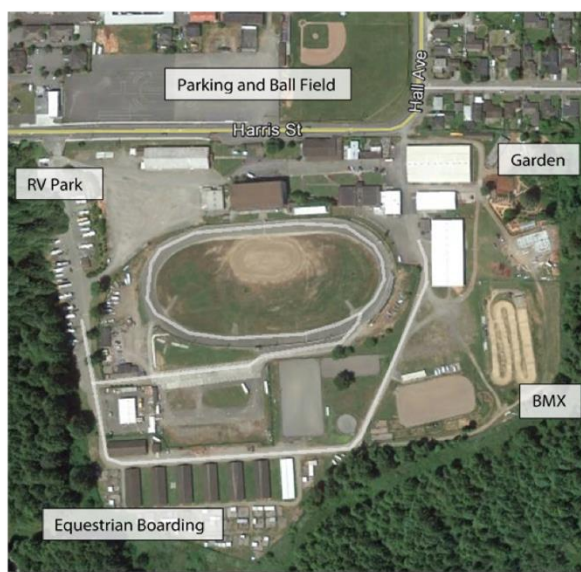
¹³ California Legislature, "Assembly Bill No. 2490: District Agricultural Associations" (2013-2014).

removed from consideration for annexation, based upon the challenges posed by natural and regulatory constraints, in addition to the difficulty of generating revenue responsibly from the site.

Myrtletown (North) presents some lesser concerns about natural and regulatory constraints and an opportunity to capitalize on existing infrastructure and receive tax revenue from the numerous homes in this area. However, deeper analysis revealed that annexation in the near future is unlikely following the City's cost-benefit analysis. As the City of Eureka continues to develop its 2040 General Plan Update, Redwood Acres should maintain its relationship with the City to ensure RAF can advance its interests during future annexation discussions.¹⁴

Facilities and Infrastructure

RAF's facilities and infrastructure are a mix of ages and conditions. The oldest building, the Grandstand, was built in 1937; the newest facilities were built in 2017, including two large hydroponics greenhouses and a metal building used to accommodate the expansion of the cider brewery. The infrastructure, including roads, parking areas, and underground utilities are likewise a mix of conditions. The large overflow parking lot north of Harris Street was recently repaved; roads and parking areas on the main grounds are relatively well-maintained. Underground utilities are routinely being repaired or replaced, and exact locations of electric and gas lines are unknown (hence the intent to develop a partial underground as-built drawing for the grounds). Siting of new utilities lines and connection points, roadways and parking areas, and landscaping is generally performed as new projects are undertaken.



¹⁴ City of Eureka, "Eureka General Plan Update: Annexation Screening," (2015)
http://eureka.granicus.com/MetaViewer.php?view_id=2&clip_id=387&meta_id=24770.

Halls

Francheschi Hall is a large (14,500 sf) hall that is routinely rented for public and private events, including roller derby, flea markets, craft fairs, and expositions and the annual Fair. The Turf Club (6,000 sf) is split into two large rooms with restrooms and a commercial kitchen space. It is currently rented to a martial arts business, as well as Frankie's NY Bagels. It is periodically used for Board meetings and other private and public events.



Ben Wilson Hall (Natural Decadence, Ohana Organics) was converted in 2012 from the fair's "poultry barn" to the dedicated tenant space for Natural Decadence and Ohana Organics, two businesses which were among the initial food and natural products manufacturing tenants of Redwood Acres. It encompasses 4,100 sf of production and office space used by the businesses.

The Vickers Building is used primarily for interim rentals and fair exhibits; it is approximately 5,000 sf and includes restrooms and commercial kitchen space; the kitchen space is currently rented to "hourly" users who share use of a common kitchen.

The 3,200 sf Arts & Crafts Building was converted in 2017 to a dedicated tenant space for Ryan Creek Root Cellar, a USDA inspected meat curing and specialty processing business. It now also contains a retail bar/restaurant operation.

Ag Facilities

The former Milk Barn is now home to Humboldt Cider Co., who renovated the building to suit their needs and opened their doors for business here in 2015. They have since outgrown the 1500 sf building, and are in the process of expanding with a new metal building being erected adjacent to the Milk Barn.

There are several equestrian and livestock buildings on the grounds, including the Horse Barns (individual stalls rented by horse boarders), Judging Pavilion, Alkire Arena, Rodeo Arena, Chabot Arena, Dressage Arena, and Ambrosini Little Cow Palace. Many of the arenas are used intermittently for personal use (by horse boarders) or events, but some, such as Alkire Arena, are limited in their potential to serve current demand (for example, Alkire Arena's roof is too low to accommodate bleachers or jumping events). The Little Cow Palace is currently rented for storage space, such as for boats or RVs, and used during the annual Fair for livestock shows and auctions. RAF has plans in development to begin converting portions of the Little Cow Palace building into longer-term tenant rental spaces.

Other Spaces

The Grandstand, built in 1937, is a classic old stadium with bleachers on one side facing a paved racetrack, and lobby, restroom, office and concession area underneath the bleachers. At 28,000 sf of building area, plus the racetrack and ancillary shop and pit areas, it occupies a very large footprint and is a major feature of the grounds. It is vastly underutilized (there are approximately 15-30 races or similar



shows per year), and plans to begin repurposing some of the facilities are already underway. The large concession area (approximately 2,000 sf) is being partially converted into rental kitchens and a food truck commissary; the RAF management has taken over vacant office spaces in the building; shop spaces flanking the raceway are being rented to several other tenants; and at least one other tenant (a fitness gym) is occupying a segment of the Grandstand building. Additional plans to convert portions of the building are also in development.

Redwood Acres recently developed a demonstration and teaching garden that combines vegetable, herb and flowers, lawn and deck space; the garden is used for educational purposes and private events.

Lost Foods Plant Nursery operates a wholesale production nursery focusing on native plants. The facility is mostly outdoor growing space with limited greenhouse production.

In 2016-17, the Humboldt County Office of Education commissioned an educational hydroponics greenhouse operation at RAF. Partnering with RAF and the greenhouse manufacturer, two greenhouses were built that provide educational programming and business development activities for local at-risk youth.

A building called “the Dorm” has been occupied in recent years by the Nature School, an operation that houses unique small animals (such as reptiles and insects) and provides educational activities associated with the animals.



The northwest corner of the main RAF grounds is used as an RV Park with over 20 spaces with electric and water hookups, served by a small bathroom area and sanitary cleanout. Spaces are rented monthly, weekly or daily, with tenants ranging from traveling nurses and construction workers to overnight visitors. The RV park is a major source of revenue for RAF, and plans to upgrade or expand

these facilities are a priority for RAF.

A large segment of the RAF property is purposed for a dirt BMX track. This track is marginally utilized and is an area that is intended for redevelopment. Specific plans have not been drafted, but several concepts are being considered, including an upgraded RV park as well as a picnic area and trailhead.

North of Harris Street, RAF facilities include a large overflow parking lot; the lot is rented on a long-term basis by the California Department of Motor Vehicles to perform driver testing, and is also rented on an interim basis by other entities for vehicle training and testing.

Also North of Harris are a regulation baseball field used by a few local youth teams and batting cages open to the public. Revenues from these facilities are relatively low, and there is mixed interest among RAF Board and staff regarding redevelopment or selling of the property.

Design Considerations

As RAF has developed a vision of its future, the following key considerations for future developments were identified as criteria by which new projects should be evaluated:

FINANCIAL VIABILITY

HOW WILL THE DEVELOPMENT PAY FOR ITSELF?

DESIGN FOR GROWTH

ARE FACILITIES ABLE TO ACCOMMODATE TENANT GROWTH, ADDITIONAL USES OR DEVELOPMENTS?

SUSTAINABILITY

HOW CAN DEVELOPMENT HAVE POSITIVE LONG-TERM IMPACTS?

RETAIL & PUBLIC

HOW CAN THE PUBLIC INTERFACE WITH DEVELOPMENTS AT RAF?

WASTE MANAGEMENT

HOW WILL FACILITY WASTE BE REDUCED OR REPURPOSED AND DISPOSED WITHOUT DISRUPTING OTHER ACTIVITIES?

TRAFFIC, ACCESS

HOW WILL DEVELOPMENT IMPACT TRAFFIC AT RAF?

SHARED FACILITIES

CAN TENANTS CO-LOCATE OR SHARE FACILITIES TO SAVE ON SPACE AND COSTS?

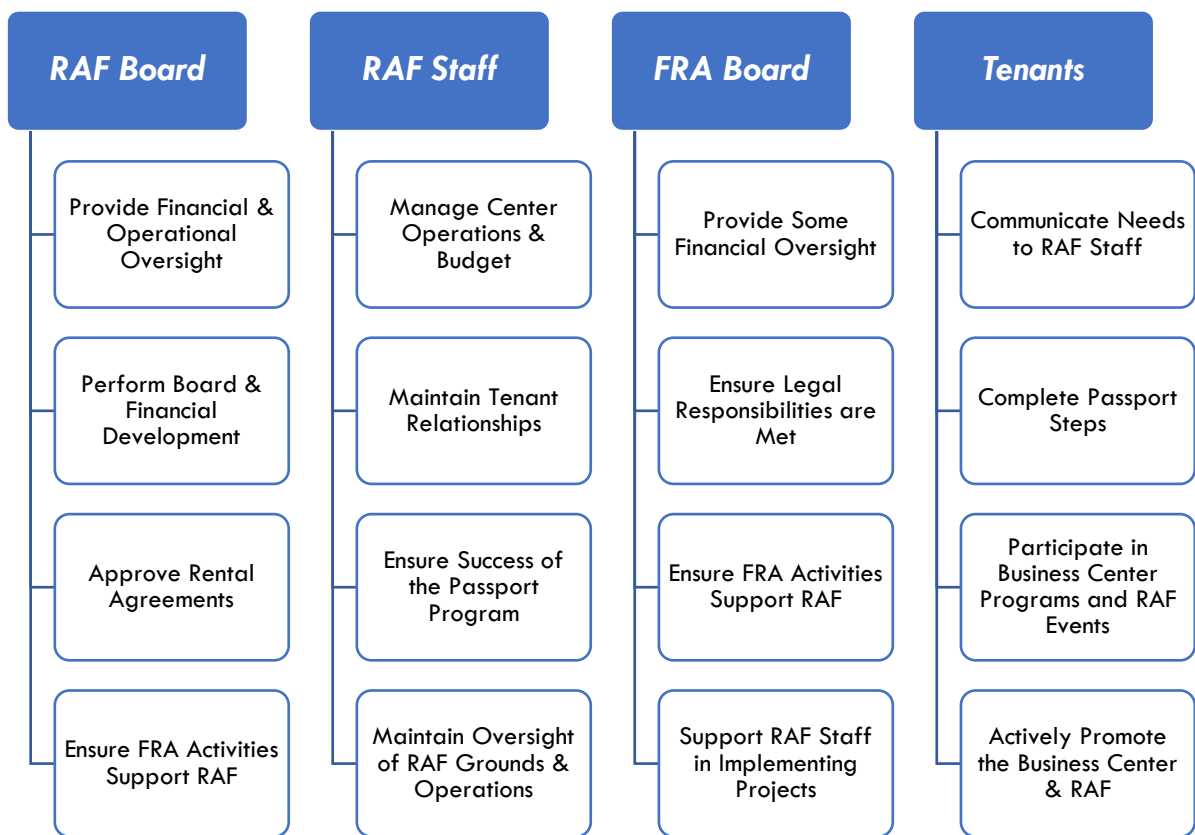
Organizational Structure

RAF and FRA

RAF is a state-controlled property and a public agency; it is managed by a CEO and governed by a Board of Directors. While it remains subject to the many operational requirements and restrictions of a state agency, it no longer receives substantial funding from the state (as of 2013 the state's contribution to the fairgrounds' annual operating budget decreased by 85%).

Additionally, RAF is supported by Friends of Redwood Acres (FRA). FRA was incorporated in 2003 to provide capital support for Redwood Acres Fairgrounds. FRA's original focus was enhancing educational and entertainment possibilities of the fairgrounds, such as developing workshops, classes and fundraising events. However, when funding for fairgrounds in California was reduced in 2013, Redwood Acres needed an active partner to help build and sustain capital. FRA became more central to RAF's fundraising and community outreach efforts.¹⁵

Example Roles and Responsibilities of RAF and FRA



¹⁵ Greenway Partners, "Strategic Analysis: Operational Feasibility Assessment for a Specialty Food and Agriculture Business and Tourism Center at Redwood Acres Fairgrounds," (2017).

FRA and RAF collaborate frequently to meet the operational objectives of the fairgrounds. While RAF manages tenants and hosts the fair, FRA conducts outreach to the public and engages in fundraising efforts. RAF's Director/CEO participates in both groups, ensuring that the two work in tandem. The CEO also typically serves as the point of contact for tenants. The current structure places the CEO as the lead for the fairground and facility operations.

Marketing and Outreach

RAF's marketing and outreach efforts are typically natural extensions of current uses. Additional opportunities to market RAF are continually being developed.

- Positive experiences for tenants, event hosts, and visitors are a source of referrals for RAF.
- Property frontage along Harris St. provides opportunities to advertise RAF, tenants, events, and businesses that sponsor events at the fairgrounds.
- The RV Park draws visitors to the site for extended periods, while also bringing in revenue from RV tenants
- Blue "point-of-interest" signs along main routes in Eureka advertise the presence of the Redwood Acres RV Park and Events Center.
- Tenant businesses can participate in other fairground events, either at booths or in their rental spaces.

Community Use

The RAF grounds are accessible to the community throughout the year. Community members frequently visit the site to attend events or visit the businesses located at RAF. In 2015, community members used the facilities for 857 events, averaging out to at least 16 events per week.¹⁶ In 2015, approximately 514,000 individuals attended events at RAF; these visitors generate an

¹⁶ Cindy Bedingfield and Rob Holmlund, "Creating Jobs at Redwood Acres (and other topics)," (02/07/17) Presentation to Eureka City Council.

estimated \$22,735,000 in ancillary spending in the regional economy—translating into the equivalent of 190 jobs created.¹⁷

Special Events

RAF's multiple facilities make it the ideal venue for a diverse array of events. Events include long-standing annual events like the Inter-Tribal Elder Dinner and the Humboldt Sponsors Rummage Sale, as well as new events like Cannifest or the Sustainability Expo. Other regular events include Roller Derby, Auto Racing, and the Flea Market. The community also utilizes the fairgrounds for private events, including reunions and wedding receptions.

Specialty Food and Ag Business and Tourism Center

RAF's business incubator strategy is a multi-pronged effort to capitalize on more consistent rental revenue that enables more regular or full-time use of its facilities. Some businesses have made RAF a permanent home: producing, packaging, and selling products on site. RAF is also courting mobile businesses, by developing a commissary kitchen in the grandstands. This facility will provide a space for food trucks to meet the legal obligation to prep and clean food products in a certified kitchen.

The business incubator concept has become increasingly formalized, partly due to RAF's interest in retaining successful tenants. The current tenant mix includes a variety of industries: horticulture and agriculture production, educational activities, and small manufacturing. Despite industry grouping, the businesses typically do not compete with one another (i.e. only one cider producer and only one pie producer). Service and supply sharing by tenants is a strategy that is facilitated by co-locating with other similar small businesses.

¹⁷ CDFA, "2015 Economic Impact Study: California's Fairgrounds,"

https://www.cdfa.ca.gov/Fairs_&_Expositions/Documents/Economic_Impact/2015_Economic_Impact_Study/9thRedwoodAcresFair.pdf.

Tenants at RAF often go on to become active businesses elsewhere in the community, as evidenced by the success of Banana Hut, Mia Bella Cupcakes, and Slice of Humboldt Pie. Alternatively, Natural Decadence, a gluten-free pie manufacturer, has been able to expand on RAF grounds; keeping the successful tenant at RAF helps to build a vibrant part of the RAF community. The success of these businesses, whether they grow at RAF or outgrow RAF, contributes to the positive image in the community about RAF's success incubating small businesses.

Conclusions

Redwood Acres' planning and development thus far has prepared the organization for its next phase of growth: a formal Master Planning process. The existing body of research and analysis summarized here will be useful for informing future planning efforts, providing marketing content for community outreach, and generating broad community awareness about new developments.

Site

As long as RAF continues renovating existing buildings or installing one-to-one building replacements, it can continue improving the facility for events and tenants without extensive environmental review or coastal permitting. RAF's jurisdictional considerations are complex, and major changes are unlikely in the immediate future. The most likely change is possible reconsideration of the Myrtle Avenue neighborhood annexation.

Facilities and Infrastructure

The buildings on site are generally in fair condition, considering that many of were constructed in the 1930s-1950s. Deferred maintenance projects and major improvements will require additional funding, but RAF has been able to perform routine maintenance as needed.

Facilities upgrades are currently possible. RAF has upgraded the interior of several of its buildings. Addition of new facilities would require a great deal of oversight from state agencies, as well as permitting and compliance measures. The additional requirements and restrictions have dissuaded RAF from constructing new permanent facilities and will be a limitation for tenant expansion or attracting tenant who require additional facilities.

Although some facilities are consistently utilized, some are only utilized part-time. Underutilized facilities have been considered for repurposing (Cow Palace), shared use (Grand Stands), and even sale (Ballpark).

Organizational Structure

Over the past four years, RAF and FRA have worked more closely in order to weather financial challenges. The organization relies heavily on the Executive Director of RAF to maintain communication between the two organizations.

Identification of the Specialty Food and Ag Business and Tourism Center as a key business strategy has helped RAF distinguish itself from other state fairgrounds. The concept has also supported operational and revenue consistency. Efforts to maintain and support long-term tenants is a priority for RAF.

Community Use

RAF's base of interim event rentals is a sizable revenue source, but it is somewhat unpredictable and requires more hands-on management than long-term rentals. RAF is increasing opportunities for long-term tenants. RAF will continue to balance its



double priorities of maintaining facilities for community use and public benefit and sustaining its operational budget needs through more predictable revenue streams.

Recommendations

To build upon the consistent development of RAF, there are several key steps for RAF to undertake.

- Conduct a complete Master Plan
 - Complete updated SWOT
 - Develop additional revenue enhancement strategies
 - Develop projected financial impact of proposed improvements
- Develop a marketing plan
 - Conduct a formal market study of proposed developments (survey visitors, assess demographics of attendees, identify target customer needs)
 - Identify strategies that support increased tourism (including marketing, sit signage, improvements to property frontage and entryway)
- Continue investing in the Specialty Food and Ag Business and Tourism Center
 - Implement Policies and Procedures consistently
- Use Utilities and Energy study information to capture revenue and cost savings
 - Install monitoring that enables utility bill generation for tenants at facilities
 - Identify sources of funding for energy upgrades, including solar generation and battery storage, and create strategy and timeline for improvements
- List specific needs for needed facilities upgrades
 - Identify costs for each improvements
 - Prioritize facilities upgrades, focusing on revenue generation potential
 - Continue developing facilities for existing tenants and expanding new tenant base (mix of short and long term)
- Understand and document full jurisdictional requirements
 - Maintain relationship with City of Eureka and Humboldt County
 - Pursue increased autonomy from the state
 - Establish the potential for RAF serving as an emergency planning area, considering it is in the Coastal Zone