

SCRAMP and the Monterey County Board of Supervisors

Fact vs. Fiction

Issue: Business Plan

Fiction: The County says it has been asking SCRAMP for a business plan for four years.

Fact: SCRAMP answered the County's request by submitting a fully formed business plan in 2011 and a revised version in August 2014. Additional plans were submitted between 2011 and 2014 as situations warranted. The County never acknowledged any of SCRAMP's submissions.

Issue: Debt

Fiction: The County claims SCRAMP is \$8 million in debt.

Fact: SCRAMP has accounts payable of \$1.2 million, and a long-term note of \$1.8 million to Dorna, the sanctioning body for MotoGP and the Superbike World Championship. More than \$100 million in annual economic impact to the Monterey Peninsula have resulted from Mazda Raceway hosting those events for the past 13 years. A payment plan between SCRAMP and Dorna is in place and all payments are current.

Issue: County Receivables

Fiction: The County says SCRAMP owes it millions of dollars.

Fact: SCRAMP actually owes the County approximately \$800,000 while the County owes SCRAMP approximately \$540,000. The net result is that SCRAMP owes the County approximately \$260,000 which it fully intends to pay by the June 2016 due date.

Issue: Escrow Account

Fiction: The County claims SCRAMP has a hidden escrow account it is using for facility improvements but which the County can't access.

Fact: No such account exists nor has anything like it ever existed.

Issue: Facility Investment

Fiction: The County claims SCRAMP has not recently invested in the facilities at Mazda Raceway Laguna Seca.

Fact: SCRAMP has itself invested, or arranged the investment of, \$23 million in facility improvements since 2002. In 2014 alone, SCRAMP was responsible for \$749,000 being invested in Mazda Raceway Laguna Seca.

Issue: Building Ownership

Fiction: The County claims that all buildings SCRAMP paid to be built or improved at Mazda Raceway Laguna Seca are owned by SCRAMP.

Fact: Mazda Raceway Laguna Seca is within the Laguna Seca Recreation Area, which is fully under the ownership and control of the County. All permanent structures, even those built and paid for by SCRAMP, become property of the County as soon as they are completed.

Issue: Profitability

Fiction: The County claims SCRAMP is not profitable.

Fact: SCRAMP's net revenue for the fiscal year-ending 2014 was \$400,000, and we project a net revenue for fiscal year 2015 of \$1,000,000.

Issue: Long-Term Success

Fiction: The County states it is "exploring options for the management of the Raceway to ensure its long-term success."

Fact: Mazda Raceway Laguna Seca is an integral part of the Monterey Peninsula. SCRAMP built the track in 1957 and has successfully managed and operated it with volunteers for nearly 60 years. In that time, SCRAMP has earned Mazda Raceway Laguna Seca national and international acclaim, provided the funding for tens of millions of dollars of facility improvements, as well as hundreds of millions of dollars in tourism and economic impact for the benefit of the County and its residents.

Issue: Lost Revenue

Fiction: The County claims SCRAMP has "lost" events such as CART/Champ Car and Moto GP.

Fact: SCRAMP, though a non-profit organization, has a financial responsibility to run its business in such a way that it at least breaks even. The decision to not to continue hosting CART/Champ Car and Moto GP events was made as a result of the series' not being cost-effective ventures due to a number of factors, including greatly increased sanctioning fees and decreased attendance.

SCRAMP has made multiple efforts over the past few years to maintain Mazda Raceway's status as a responsible neighbor to the people of the Monterey Peninsula by developing opportunities to increase the facility's commercial success. Events such as the Amgen Tour (bicycling), Best Buddies Challenge (running, various events), and Live Nation (concerts) would all have brought additional revenue opportunities for SCRAMP, which would have been reinvested in the facility to secure additional opportunities in the future. The County has refused to allow any of these events to take place, resulting in lost tourism and notoriety for the Peninsula and the facility.

In addition, several long-standing and important county-managed events held at Mazda Raceway, including Cherries Jubilee, Spirit West Coast, 24 Hours of Adrenalin, Bill

Graham concerts, and the Heart Walk, all decided to not renew their contracts and have taken their events elsewhere.