

Oregon Parks and Recreation Commission

September 24, 2013

Agenda Item: 4 c

Information

Topic: State Fair Transition

Presented by: MG Devereux

Background

In the 2013 legislative session lawmakers recognized that the Oregon State Fair and Exposition Center cannot continue to operate within the bounds and restrictions of a state agency. The legislature passed Senate Bill 7 (SB7), which creates the process to transfer management of the OSFEC from Oregon Parks and Recreation Department (OPRD) to a public corporation. This public corporation, the Oregon State Fair Council (OSFC), will be solely focused on developing a business plan to make the entire operation of the OSFEC profitable. OSFC will be comprised of members of the community, appointed by the Governor, representing a variety of local and regional interests including: agriculture; real estate development; business and finance; local government; county fairs; and community development. The OSFC will also have two listening legislators, Senator Arnie Roblan and Representative Vicki Berger.

Current Status

OPRD staff has been working diligently to close the books on the 2013 Oregon State Fair. While most of the revenue and expenses are accounted for, several large contracts relating to ticketing, security, temporary staffing and carnival operations are often not finalized until well after fair. Preliminary figures indicate a small profit for the Fair. This continues a trend of profitability for the fair, but does not account for the \$3.5 million anticipated loss from the exposition operations for the other 50 weeks of the year. It also does not account for over \$20 million of facility maintenance backlog.

While much of the public attention has been on the Fair, OPRD staff has been working to ensure that the OSFC represents a diverse set of interests, abilities, and approaches to developing business plan. This plan must address year round solvency, not just the State Fair event. The application process for potential Council members was opened in late October. The Governor's office is handling the interest forms and nominations, based on recruiting information developed by OPRD. Staff has been meeting with potential candidates to help provide background information and determine interest. SB7 requires appointment no later than January 1, 2014. Council members will then need to move quickly to create an operating structure, develop policies and procedures, and begin work on a long term business plan. OPRD has begun to develop a library of current operations and best practices from other fairs and expo centers. Preliminary informational meetings have also been held with the Department of Administrative Services (DAS). These meetings will be used as the basis for lease negotiations between DAS and the OFSC, so that OFSC has operating authority over the grounds and facilities on the Fairgrounds.

Next Steps

The OSFC will need to work quickly. Senate Bill 7 allows up to December 31, 2015 to complete work to secure a lease from DAS and begin to conduct profitable operations. The major work items and anticipated timelines are outlined below:

Council Recruitment	Oct 30 – November 11
Governor Appointment Completed	Dec 13
2014 Fair Planning	December 2013 – March 2014
Initial Council Meeting	January 2014
DAS Agreement for lease of OSFEC to Council	January 2014
Recruitment for Council Executive Director	March 2014
2014 Oregon State Fair	August 22 – September 1, 2014
Progress report due Oregon State Legislature	October 2014
2015 Fair Planning	December 2014 – March 2015
Final report due to Oregon State Legislatures	December 2015

Prior Action by Commission: None

Action Requested: None

Attachments: Council Recruitment Information

Prepared by: MG Devereux

Oregon State Fair Council Overview for Candidate Recruitment



Background

The Oregon State Fair and Exposition Center (OSFEC) is an icon of Oregon history that celebrates the diverse agricultural, artistic and cultural interests of the state. The OSFEC has struggled for decades to find the right business model that honors the values of the State Fair, and keeps the Exposition Center profitable for the 50 weeks of the year beyond the Fair. During the 2013 Legislative Session, the Legislature passed Senate Bill 7. This legislation allows for the creation of a public corporation to take over operation of the Oregon State Fair and Exposition Center. The State Fair Council is the board that will implement and oversee the public corporation.

Senate Bill 7 establishes the Council as fewer than seven and no more than 11 members who are representatives of:

- Private sector business
- Nonprofit sector
- Economic development interests
- Finance industry
- Events and facility management
- Traditional Fair and Exposition Center activities and industries

One member will be an elected city official of a city and one member will be an elected county official. Non-voting members include the City Manager of Salem and representation from the State Legislature.

The Governor will appoint the Council Members to four year terms.

Role of the Council

In the process of becoming semi-independent, the State Fair Council will work closely with the Oregon Parks and Recreation Department to develop and implement a business plan to ensure the successful operation of the OSFEC. This will require a large upfront commitment, several meetings a month and preparatory work, to identify the success and limitations of the current business practices, work with community members and stakeholders and develop a long-term lease with the Department of Administrative Services for the use of the Fairgrounds property. The Council may develop policies, procedures, and standards to support:

- Short and long-term business development goals for the State Fair and Exposition Center
- Financial operations including cost accounting, business and revenue forecasting
- Strategies for implementing business development goals and events marketing
- Human Resource operations including hiring an Executive Director and compensation and benefit packages for employees of the Council
- Legal practices including contract review and liability coverage
- Facility and grounds development, maintenance, and operations

IDEAL CANDIDATE

The ideal candidate will have an understanding of the significance of the Oregon State Fair and Exposition Center to the local and regional economy.

Understanding of deep ties to the County Fairs of Oregon and the expression of the life-ways represented by the agricultural and cultural shows and exhibits presented at the State Fair. An ideal candidate will be able to commit to a significant effort to reshape the operations of the OSFEC away from the restrictive nature of State Agency operations to a more flexible business model that represents a more responsive operation.

Candidates will have an understanding of how to create, operate, and manage a business. Candidates will be able to provide creative and innovative solutions to remake the OSFEC.



Calendar for year 2014 (United States)

January

S	M	T	W	T	F	S
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Salem → February

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Bend → April

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May

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Klamath Falls → June

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July

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Silver Falls → September

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October

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Astoria → November

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December

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Jan 1	New Year's Day	May 26	Memorial Day	Nov 11	Veterans Day
Jan 20	Martin Luther King Day	Jun 15	Father's Day	Nov 27	Thanksgiving Day
Feb 14	Valentine's Day	Jul 4	Independence Day	Dec 24	Christmas Eve
Feb 17	Presidents' Day	Sep 1	Labor Day	Dec 25	Christmas Day
Apr 20	Easter Sunday	Oct 13	Columbus Day	Dec 31	New Year's Eve
May 11	Mother's Day	Oct 31	Halloween		