

Economic and Community Development

STATE FAIR AND EXPOSITION CENTER

| | 1999-2001 Actuals | 2001-03 Legislatively Adopted at Close of Session | 2001-03 Legislatively Approved through Fifth Special Session | 2003-05 Governor's Balanced |
|----------------------------|----------------------|--|--|-----------------------------------|
| General Fund | \$1,298,934 | \$1,492,452 | \$1,345,050 | \$1,363,562 |
| Lottery Funds | 256,337 | 3,170,828 | 2,611,346 | 4,444,659 |
| Other Funds | 21,895,885 | 20,390,943 | 20,515,580 | 12,107,921 |
| Federal Funds | 0 | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 1,397,985 | 1,311,128 | 1,311,128 | 1,219,565 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 | 0 |
| Total Funds | \$24,849,141 | \$26,365,351 | \$25,783,104 | \$19,135,707 |
| Positions | 50 | 56 | 53 | 60 |
| Full-time Equivalent | 32.19 | 37.67 | 33.05 | 37.18 |

Overview

The Oregon State Fair and Exposition Center (State Fair) conducts an annual state fair and operates its fairgrounds as a year-round fair and exposition center. The State Fair's biggest challenges are generating adequate revenue and maintaining its 185-acre facility, which is located in Salem.

The State Fair is making progress toward its revenue goals. The agency has a 10-year pricing plan, and is focused on increasing exposition rental sales.

The agency is working to increase the market capacity, appeal, and profitability of the fairgrounds. Over the last two biennia, the agency received or will receive \$20 million in Lottery bond revenues for facility improvements. Improvements include several renovation and construction projects, the largest of which is a 5,000 seat Multipurpose Pavilion. This building, suited for a variety of shows and events, should be completed in 2004.

Balanced Budget

The Governor's balanced budget for the State Fair is \$19,135,707 total funds. This is a 26 percent reduction from the 2001-03 Legislatively Approved Budget through the Fifth Special Session. Two factors contribute to the reduction. First, the balanced budget eliminates one-time Capital Construction expenditures for facility improvements. Second, it reduces \$100,842 General Fund due to revenue shortfalls.

The balanced budget allows the agency to maintain core programs and provides additional resources to support the new pavilion. It also adds expenditure limitation to handle increased security and temporary services contracts. The budget contains \$4.5 million Lottery Funds and \$1.2 million Other Funds Nonlimited for debt service on various revenue bonds.

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Revenue

The agency generates most of its operating revenues from the annual fair and exposition event activities. The annual state fair is projected to generate 74 percent of agency revenues. The remaining 26 percent will be from exposition events.

The agency is not able to generate adequate Other Fund revenues to meet all of its expenses. The budget provides enough General Fund to maintain services and an adequate cash balance. The agency is working to increase its Other Fund revenues to achieve operational self-sufficiency. It is very likely the State Fair will continue to require a General Fund appropriation, since the cost of maintaining marketable facilities exceeds the capacity of the agency's current revenue streams.