



# MARKET DEMAND ANALYSIS LANE EVENTS CENTER – EUGENE, OR

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**SUBMITTED TO**  
Lane Events Center

**SUBMITTED BY**  
Johnson Consulting  
Priefert Complex Designs

**DATE**  
February 2020



February 7, 2020

Mr. Corey Buller  
Division Manager/ Fair Manager  
Lane Events Center/ Lane County Fair  
[corey@laneevntscnter.org](mailto:corey@laneevntscnter.org)

Re: Market Demand Analysis – Lane Events Center

Dear Corey,

**Johnson Consulting**, in association with **Priefert Complex Designs (PCD)**, is pleased to submit this report regarding the Lane Events Center (LEC). Pursuant to our engagement, this report provides an analysis of the economic and demographic characteristics of the local and regional markets; presents case study profiles of comparable venues; reviews operational and physical attributes of the LEC campus; summarizes key observations from interviews with key stakeholders and community members; provides program recommendations for improvements to the LEC; presents demand and financial projections for an improved facility; provides an economic and fiscal impact analysis; and proposes an implementation strategy.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between the projected results and the actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

*C.H. Johnson Consulting, Inc.*

C.H. JOHNSON CONSULTING, INC.

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# INTRODUCTION AND EXECUTIVE SUMMARY

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## INTRODUCTION

Johnson Consulting and Priefert Complex Design (PCD) were retained by the Lane County Public Works Department to provide a market and demand analysis relating to current facilities, grounds and miscellaneous structures on, and any potential improvements to, the Lane Events Center (LEC) campus. This analysis will be used to inform a future master plan for the 55-acre LEC campus that ensures the long-term viability and relevance of the LEC in the local and regional marketplaces. The master plan is separate to this market demand analysis.

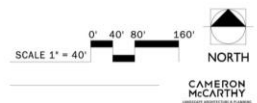
Figure 1 - 1 provides an overview of existing facilities and grounds at the LEC.

Figure 1 - 1



### Lane Events Center—Lane County Fairgrounds

796 West 13th Avenue, Eugene, Oregon 97402 Phone: 541-682-4292 Fax: 541-682-3614



## STUDY OBJECTIVES

The key objective of this study is to provide a market-driven foundation for a long-term vision for the LEC. This is achieved through an analysis of existing facilities to clearly define and prioritize potential facility improvements, as a means of attracting new business and regaining lost business. It is anticipated that the study, in conjunction with a Facilities Assessment undertaken by Faithful+Gould in August 2017, will inform the development of a master plan for the LEC, separate to this study.

Of critical importance is respecting and upholding the unique character of the LEC campus and the local area, and ensuring that the LEC continues to be a viable and relevant asset for the community. This is a key consideration of our study.

## METHODOLOGY

In order to complete the analysis required for this project, Johnson Consulting and PCD performed the following tasks, the findings of which are presented in this report:

1. Toured the site and surrounding area, as well as other major concentrations of activity in Eugene and Lane County.
2. Conducted Client and stakeholder meetings and interviews, and online surveys of 3 distinct groups – 1). Current and prior users of the LEC; 2). Representatives of lost/ turned-away business from the LEC; and 3). General public.
3. Analyzed demographic and economic characteristics, and demand and supply conditions in the local and regional markets, based upon published sources of data and information, supplemented by our interviews with key stakeholders in the local market.
4. Identified and analyzed a set of indicative and comparable venues, regionally and nationally.
5. Reviewed historic operations at the LEC and provided an assessment of the physical conditions of buildings on the campus.
6. Provided recommendations regarding improvements to the LEC.
7. Projected market performance of the recommended improvements to the LEC over a 10-year period, in terms of demand (events and attendance) and operations.
8. Estimated economic and fiscal impact of the recommended improvements.
9. Defined a funding and implementation strategy for recommended improvements.

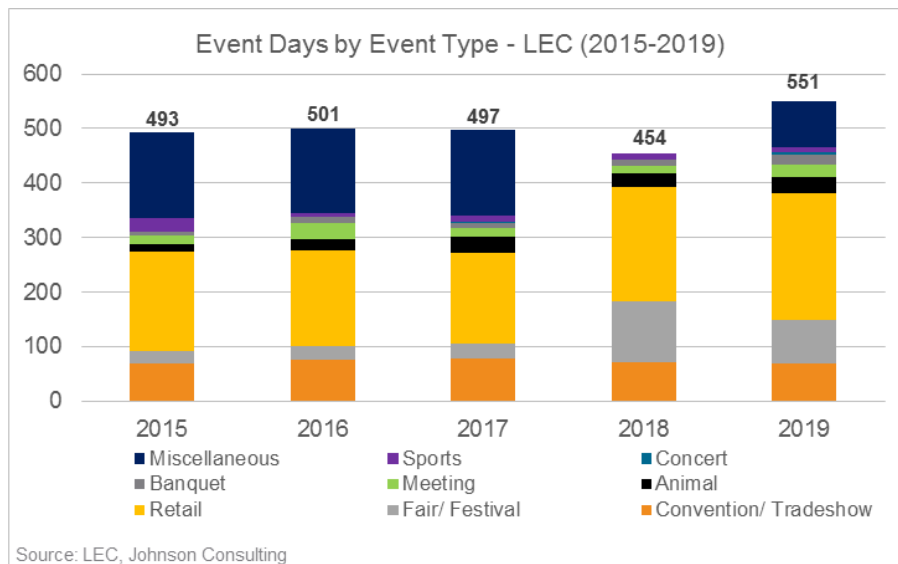
## EXECUTIVE SUMMARY

The 55-acre LEC campus is the largest event venue in the Eugene and Springfield markets and is strategically located in downtown Eugene. In recent years the County has completely restructured the LEC’s organization to be much more business-minded, customer-focused and fiscally responsible. The organizational and operational structure now exists to attract more and larger events, but the physical offerings need to be substantially enhanced to allow the LEC to continue serving the hundreds of events and almost 1.0 million visitors it brings to the region, many from outside of Lane County, and position it to create an even greater impact.

## DEMAND ASSESSMENT

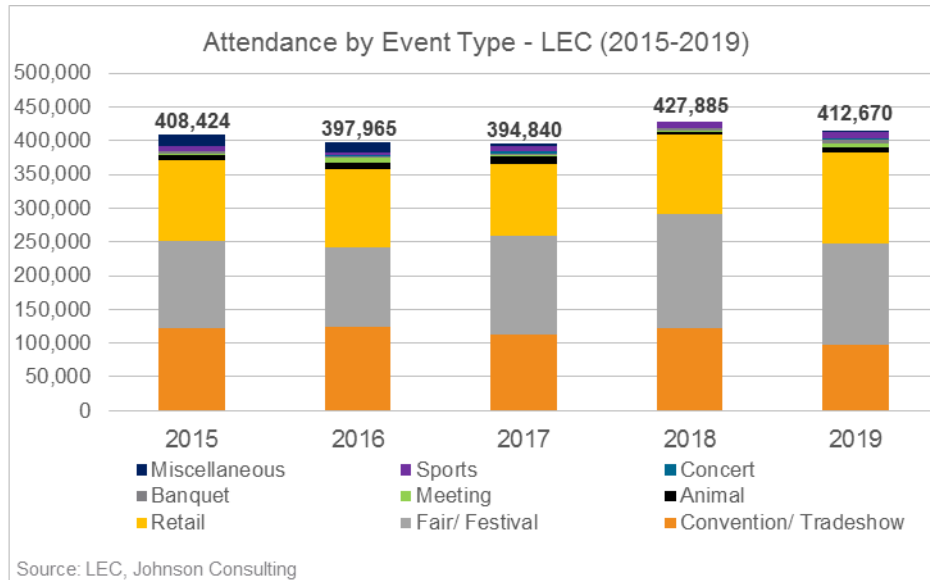
The LEC is home to the annual Lane County Fair, which runs for 5 days (Wednesday through Sunday) on the 4<sup>th</sup> weekend of July. In 2019 (as of November) the LEC hosted a total 111 events (including the annual County Fair). These events spanned 551 event days, representing a considerable increase of 21.4 percent over 2018 figures (454 event days), and driven primarily by growth in event days associated with Fairs/Festivals and Banquets. Figure 1 - 2 shows total event days (including the annual County Fair) at the LEC since 2015, by event type as defined by Management of the LEC.

Figure 1 - 2



During the 2015-2019 period, total attendance has remained relatively stable, increasing slightly at an average annual rate of 0.3 percent. Fairs/Festivals have consistently accounted for the highest proportion of attendance (34.9 percent), followed by Retail events, including consumer and public shows (29.0 percent), and Conventions/ Tradeshows (28.4 percent). Figure 1 - 3 provides a breakdown of attendance by event type at the LEC since 2015.

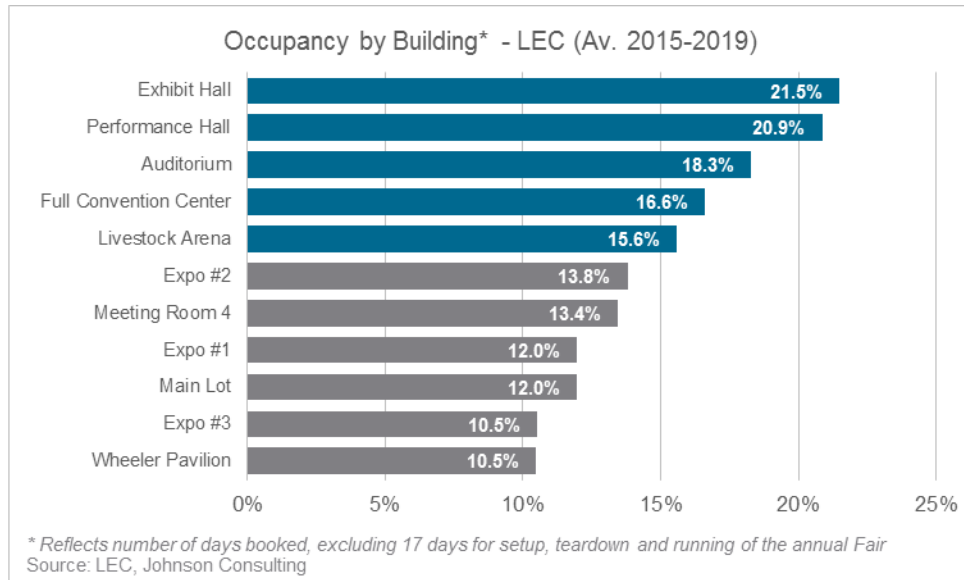
Figure 1 - 3



**UTILIZATION BY BUILDING**

Since 2015 the highest average occupancy has been reported at the Exhibit Hall (21.5 percent) and Performance Hall (20.9 percent), as well as the Auditorium (18.3 percent) and the Full Convention Center (16.6 percent), which includes the Exhibit Hall, Performance Hall, the Gleason Atrium and Meeting Rooms. Figure 1 - 4 provides a breakdown of non-Fair utilization and occupancy by building, averaged across the 2015-2019 period. It is noted that Expo Halls 4, 5 and 6, which are not shown in Figure 1 - 4, are utilized by 3 sporting groups annually from September through June (estimated 1,300 total utilization hours). These are the only buildings on the campus that are rented on an hourly basis, and as such, are not reflected in the daily building rental data reported by Management.

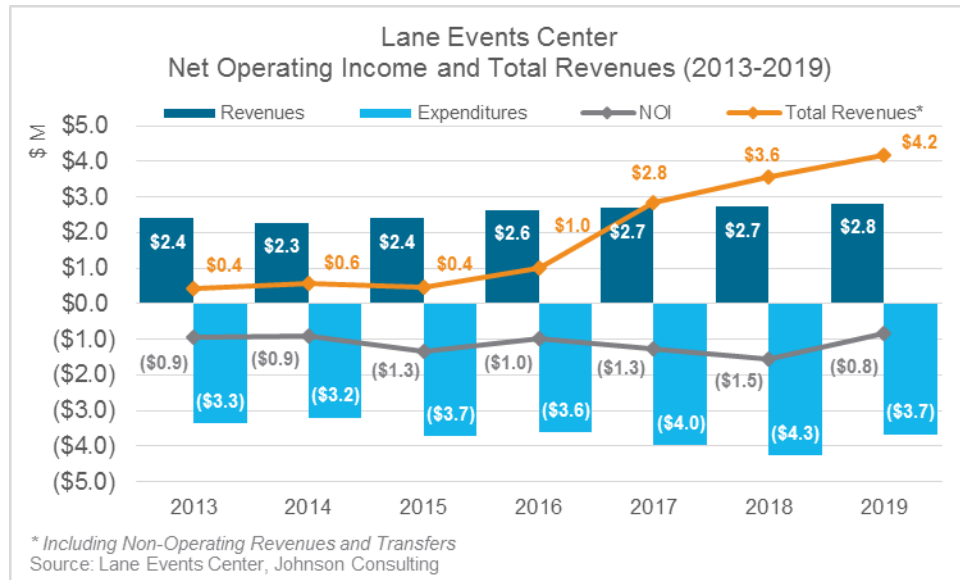
Figure 1 - 4



## FINANCIAL PERFORMANCE

Since 2013 the LEC’s total operating revenues have increased at an average annual rate of 2.8 percent, while operating expenses increased at a lower average annual rate of 1.5 percent. This resulted in a reduction in the net operating deficit, before non-operating revenue and expenses, at an average annual rate of (2.0) percent. Considerable improvement was reported between 2018 and 2019, with a net operating deficit of (\$1.5) million in 2018 compared to an estimated deficit of (\$838,000) in 2019. Figure 1 - 5 shows operating revenues, expenses, operating income (loss) and total revenues over (under) expenditures for the LEC between 2013 and 2019.

Figure 1 - 5



### STAKEHOLDER INPUT

Stakeholder, user group and community outreach conducted as part of this analysis revealed a high level of support for improvements to the LEC. Interviewees and survey participants were very complimentary of staff of the LEC but noted a need for significant modernization of facilities, improved technology offerings, and the addition of HVAC.

As it relates to the ability to regain lost business, the most influential factor in survey respondents’ decisions not to host their event at the LEC was Date Availability, followed by Affordability and Proximity to Hotels. The improvement most likely to encourage survey respondents to reconsider the LEC for their event(s) is More Date Availability, with many respondents also willing to reconsider holding their event(s) at the LEC if issues of Affordability and Ease of Load In/ Load Out were addressed. An Onsite Hotel would also encourage users to reconsider the LEC for their event(s).

It is our assessment that the LEC cannot attract more conventions and tradeshow, and thus generate more room night demand and greater impact for the local market, without additional meeting room and ballroom space. An on-site hotel could provide supplemental space and would allow for better market penetration in these event categories.

### COMPARABLE FACILITIES

Figure 1 - 6 provides a summary of key market attributes of case study facilities, include a mix of traditional fairgrounds, as well as aspirational expo/ convention centers in the region. These facilities are not necessarily direct competitors with the LEC but the size and characteristics of these facilities, rental rates,



and demand and financial performance data provide insight into the general parameters within which an improved LEC would be expected to operate. As shown, the LEC's primary market, as defined by a 1-hour drive time radius, ranks among the lowest with respect to median household income (9<sup>th</sup> out of 10) and entertainment spend (9<sup>th</sup>), and also has a relatively small population (7<sup>th</sup>) with a high median age (8<sup>th</sup>) compared to the peer set. Among the identified markets, the LEC's surrounding market characteristics are most similar to those of the HAPO Center in Pasco, WA, and the Deschutes County Fairgrounds and Expo Center in Redmond, OR.

Key locational attributes include:

- The proximate inventory of hotel guest rooms to the LEC (as defined as a 1-mile radius) is large (818 guest rooms) relative to the peer set, and trails only the Sacramento Convention Center (2,884 guest rooms) and the Portland Expo Center (1,365 guest rooms). The LEC's large hotel inventory likely reflects its proximity to the University of Oregon and to downtown Eugene, although as previously discussed, there are very few hotels in immediate proximity of the LEC (the closest hotel is 0.6 miles away).
- The closest major international airport is the Portland International Airport, which also serves many of the other comparable markets in the matrix. The annual passenger volume of the Portland and Seattle-Tacoma airports combined is just under 70.0 million passengers.
- The LEC ranks among the smallest in the comparable set with regards to the largest amount of contiguous exhibit space but is among the middle of the set with respect to total Fair attendance, revenues, expenses and net operating income.

In general terms, many of the regional fairgrounds offer newer facilities and/ or more recently renovated facilities than the LEC and a number have invested in outdoor event venues, landscaping and other support amenities such as attractive RV campgrounds/ parks. Easy access, including public transport options, is also a key characteristic of many of the more successful fairgrounds and event venues. All of these enhancements help to attract year-round visitors to the fairgrounds.



Figure 1 - 6

Key Market Characteristics - Comparable Facilities										
Metric	Lane Events Center	Fairgrounds						Convention and Expo Centers		
		Douglas County Fairgrounds	Washington County Fair Complex	Clark County Event Center	Deshutes County Fairgrounds Expo Center	Washington State Fair and Event Center	HAPO Center	Portland Expo Center	Sacramento Convention Center	Fresno Convention and Entertainment Center
Location	Eugene, OR	Roseburg, OR	Hillsboro, OR	Ridgefield, WA	Redmond, OR	Payallup, WA	Pasco, WA	Portland, OR	Sacramento, CA	Fresno, CA
<b>Demographic Characteristics (2018) 1-Hour Drive Time Radius</b>										
Population	550,975	124,764	2,244,835	2,419,398	234,651	2,731,098	437,953	2,528,861	3,213,732	1,626,286
Rank	7	10	5	4	9	2	8	3	1	6
Median Age	38.7	47.1	38	38.3	42.8	38.1	33.3	38.2	36.2	31.6
Rank	3	1	7	4	2	6	9	5	8	10
Median Household Income	\$52,407	\$49,834	\$73,971	\$74,311	\$60,904	\$79,442	\$59,382	\$74,236	\$67,672	\$52,505
Rank	9	10	4	2	6	1	7	3	5	8
Entertainment Spending (per capita)*	\$181.95	\$156.30	\$258.10	\$257.06	\$199.09	\$285.08	\$207.45	\$256.57	\$244.07	\$194.31
Rank	9	10	2	3	7	1	6	4	5	8
<b>Location Attributes</b>										
Major International Airport	Portland	Portland	Portland	Portland	Portland	Seattle Tacoma	Portland	Portland	Sacramento	Fresno
Annual Airlift # Passengers (Million)	19.8	19.8	19.8	19.8	19.8	49.8	19.8	19.8	12.1	1.8
Rank	2	2	2	2	2	1	2	2	9	10
Hotels < 1 Mile (# Properties)	14	3	1	0	5	4	3	9	18	6
Hotel Guest Rooms < 1 Mile	818	192	118	0	378	359	270	1,365	2,884	777
Rank	3	8	9	10	5	6	7	2	1	4
CVB	Travel Lane County	Visit Roseburg	Hillsboro Chamber of Commerce	Visit Vancouver	Redmond Chamber of Commerce	Travel Tacoma	Visit Tri-Cities	Travel Portland	Visit Sacramento	Visit Fresno County
<b>Facility Attributes</b>										
Largest Exhibit Space (SF)	37,000	28,000	39,300	97,200	80,000	84,972	39,000	324,000	137,500	66,371
Rank	9	10	7	3	5	4	8	1	2	6
Annual Fair Attendance	110,000	-	110,000	270,000	260,000	1,000,000	-	-	-	-
Rank	4	-	4	2	3	1	-	-	-	-
Revenues (\$M - Most Recent Year)	\$2.8	\$1.9	-	-	\$5.1	-	\$2.4	\$6.4	-	\$3.5
Rank	4	6	-	-	2	-	5	1	-	3
Expenses (\$M - Most Recent Year)	\$3.7	\$2.0	-	\$4.3	\$6.1	-	\$2.5	\$6.2	\$28.8	\$4.1
Rank	6	8	-	4	3	-	7	2	1	5
Net Operating Income (Loss)	(\$0.8)	(\$0.05)	(\$1.8)	\$0.2	(\$1.0)	-	(\$0.1)	\$0.2	-	(\$0.5)
Rank	6	3	8	1	7	-	4	2	-	5

\* Includes annual average spending on tickets to theater/ operas/ concerts; tickets to movies/ museums/ parks; and admission to sporting events.

Source: Relevant Facilities, Ersi BAO, STR, Johnson Consulting

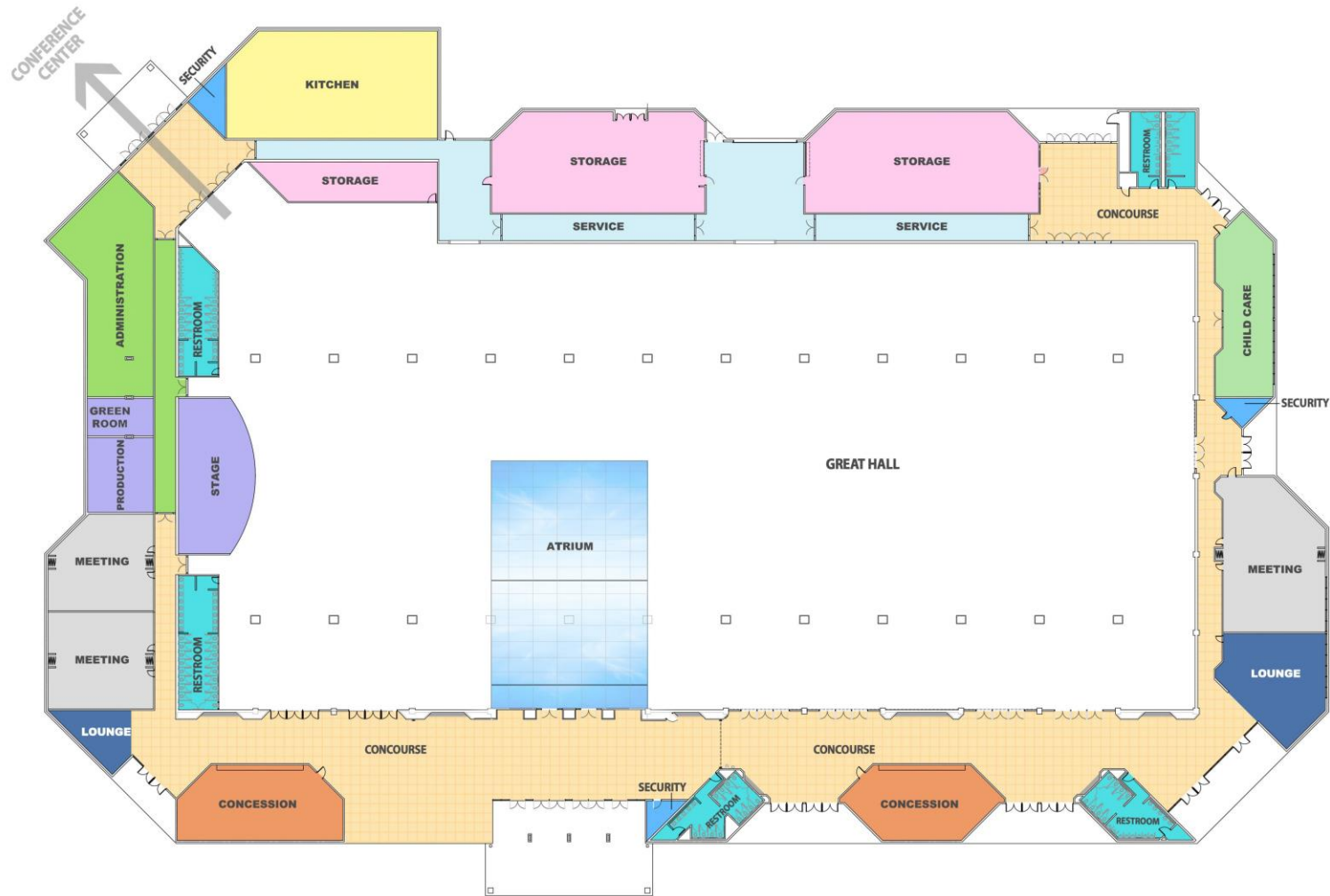


## FACILITY PROGRAM RECOMMENDATIONS

Our recommendations for the LEC focus on broad themes and master planning opportunities to support and enhance the LEC's role as a year-round community and regional asset. We also make recommendations that will modify the LEC to grow and expand its business. These improvements should form the foundation of a master plan for the venue as they will create efficiencies for individual buildings and the overall grounds, and help increase the number of events and visitors attracted to the campus. Specifically, the following facility program enhancements are recommended:

- **GENERAL GROUNDS IMPROVEMENTS:** The LEC must become an attractive edge to downtown. It should be viewed as a regional park serving residents and businesses located immediately in the downtown core and the surrounding areas. Upgrades to the overall campus should include improved wayfinding to the site, and within the site, by providing easy to read, and easy to see signage; Improved green space will improve the overall attractiveness of the campus and create space for outdoor events; and increased tree and garden plantings will provide shade for outdoor activities and soften the building facades. Pedestrian links from downtown, with special street and sidewalk art and landscaping programs, are needed.
- **CONVENTION/ EVENTS CENTER IMPROVEMENTS:** The Convention/ Events Center is the workhorse of the campus but, from a competitive standpoint, it is not very functional. The interior of the Exhibit Hall and Performance Hall need to be fully refreshed and the protruding kitchen needs to be removed so the space can be rented contiguously as a 'Grand Hall' or in two or three sections. Further, a redesign is needed to enhance and create concourses, reconfigure entrances and exits and create primary points of access, provide a dedicated service area, improve the functionality of meeting and breakout space, create additional lounge space and a green room to support events, provide supplemental restroom facilities, and provide for much better circulation. The new design should also incorporate dedicated security offices and relocate the administrative office to provide for better customer interface. The northeast corner of the concourse of the refreshed Grand Hall should contemplate an extruded concourse connecting to a new meeting and ballroom complex, placed between the Convention/ Events Center and the targeted location of the proposed hotel, as discussed below. Figure 1 - 7 provides a preliminary concept for potential improvements to the Convention/Events Center. **It is noted that the building modifications are shown for discussion purposes only. The feasibility and practicality of these changes must be vetted by thorough building engineering and architectural analysis.**

Figure 1 - 7



- **SUPPLEMENTAL MEETING SPACE:** Given the high cost associated with reconfiguring the meeting space at the Event Center, it is recommended that additional meeting space be newly developed on the campus. An additional  $\pm 15,000$  SF of meeting space, along with a  $\pm 20,000$  to 25,000 SF dedicated ballroom, would greatly enhance the appeal of the LEC for a variety of event types, current and new.

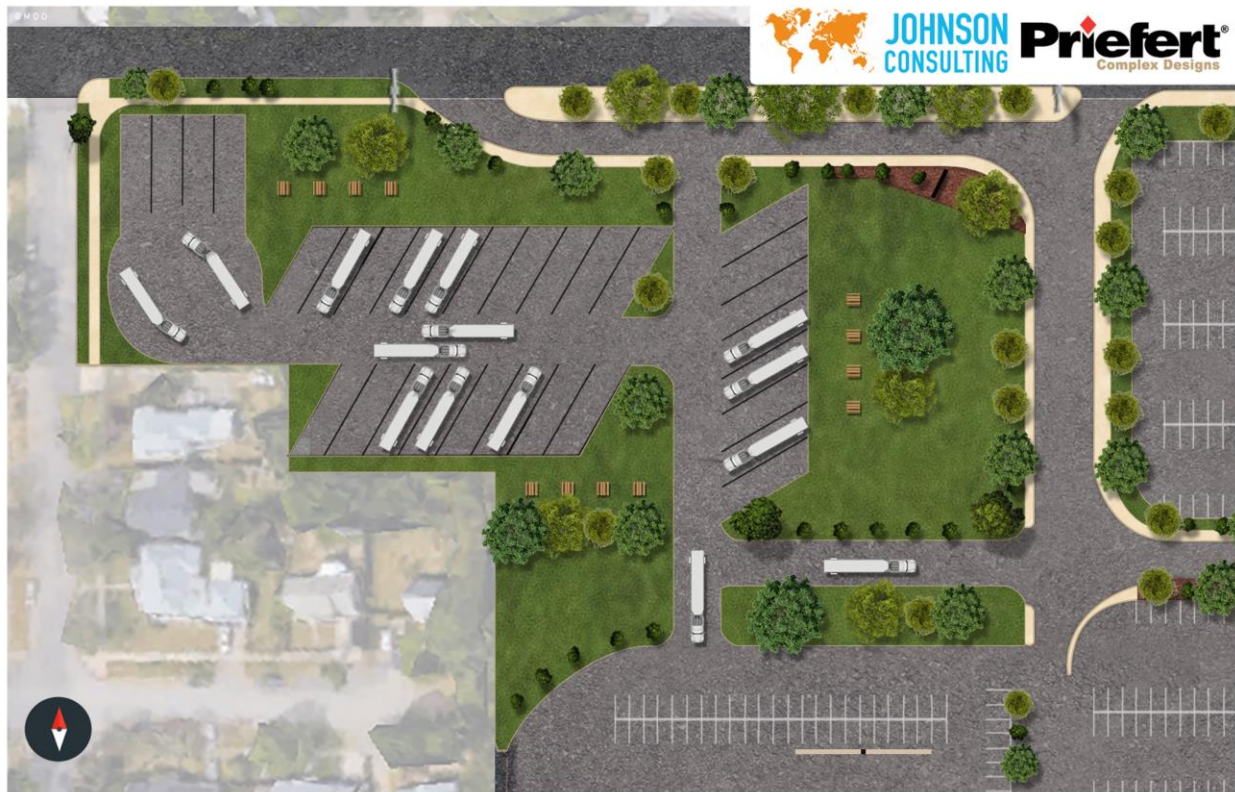
The ideal location of the supplemental meeting and ballroom space would be adjacent to the Convention/Events Center, perhaps adjoining a new hotel to be attracted to the northeast edge of the site. Given the number of recently completed, and currently under construction, hotel projects in the Eugene market, there is considered to be limited opportunity for additional new hotel properties over the short- to medium-term, especially if there is no policy to better link the LEC site to downtown. Notwithstanding this, a limited inventory of hotels within walking distance of the LEC and the ability to capitalize on the expansion of downtown may present an opportunity for a hotel property ( $\pm 150$  rooms) on the campus, subject to some form of County incentives to attract a private developer. It is recommended that the County undertake a formal procurement process to gauge and solicit interest from the hotel community.

- **INCREASED ARENA FLEXIBILITY:** As a priority, the main arena dirt floor of the Livestock Arena should be replaced with a concrete floor to enhance the flexibility and usability of the Arena. Additional improvements to the Arena building are recommended in supplemental phases. At this time, we have not prepared concept plans for these improvements, however it is recommended that the Arena floor be adapted to allow for flat floor shows and sports. Subject to design and physical building parameters, it is expected that the Arena could accommodate approximately 6 basketball courts which could be converted into 9 volleyball courts. This would support youth sports and local league play and could allow the LEC to attract a small number of local and regional tournaments. Dirt flooring could also be brought in for Ag and animal events, including during the Fair, as needed.

As it relates to the Ice Arena, there may also be potential to repurpose the space to allow for greater flexibility, additional revenue generation for the LEC and room night demand for area hotels. It is similarly sized to the Livestock Arena so if redesigned to allow it to accommodate basketball and volleyball courts, this would create the critical mass necessary to attract additional local and regional tournaments to the LEC. Again, this is subject to detailed design development and exploration of the physical parameters of the existing Arena building.

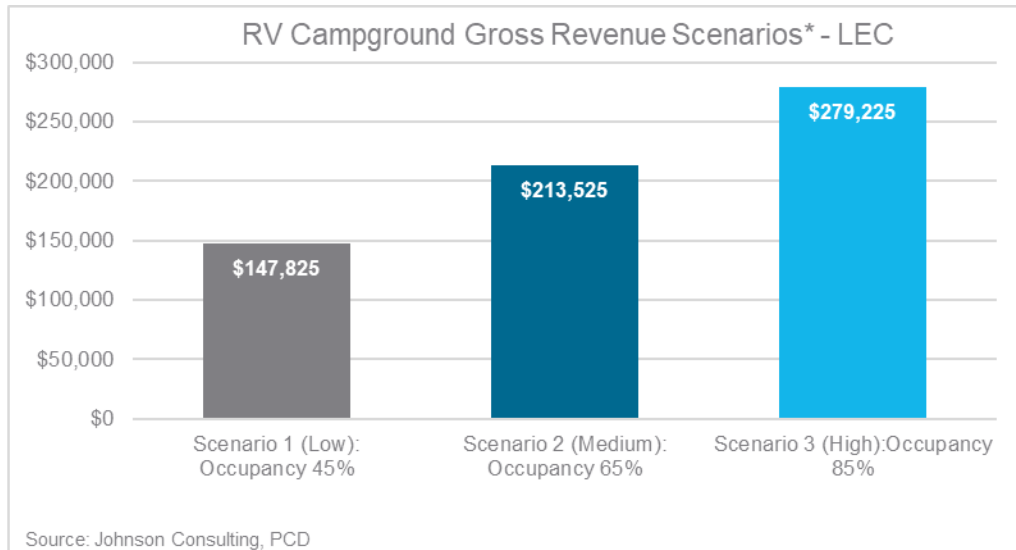
- **NEW RV CAMPGROUND:** Improved and additional RV sites present synergistic opportunities with the overall campus and the mission of the LEC, will generate additional revenues to support operations and capital improvements, and serve to support and grow current events and attract new events to the LEC. Figure 1 - 8 shows preliminary recommendations for the layout of the improved and additional RV sites.

Figure 1 - 8



Although there were varying opinions regarding an improved RV Campground from survey respondents and other stakeholders, it is our experience and recommendation that this is an effective means to generate additional revenue for deferred maintenance and capital improvements at a relatively low cost to the County. Figure 1 - 9 provides a high level analysis of the revenue potential from an improved RV Campground at the LEC, assuming a total of 30 full hook-ups and an average rate of \$30 per day (reflecting rates at comparable regional facilities), based upon varying occupancy scenarios ranging from 45.0 percent (low occupancy scenario) to 85.0 percent (high occupancy scenario).

Figure 1 - 9



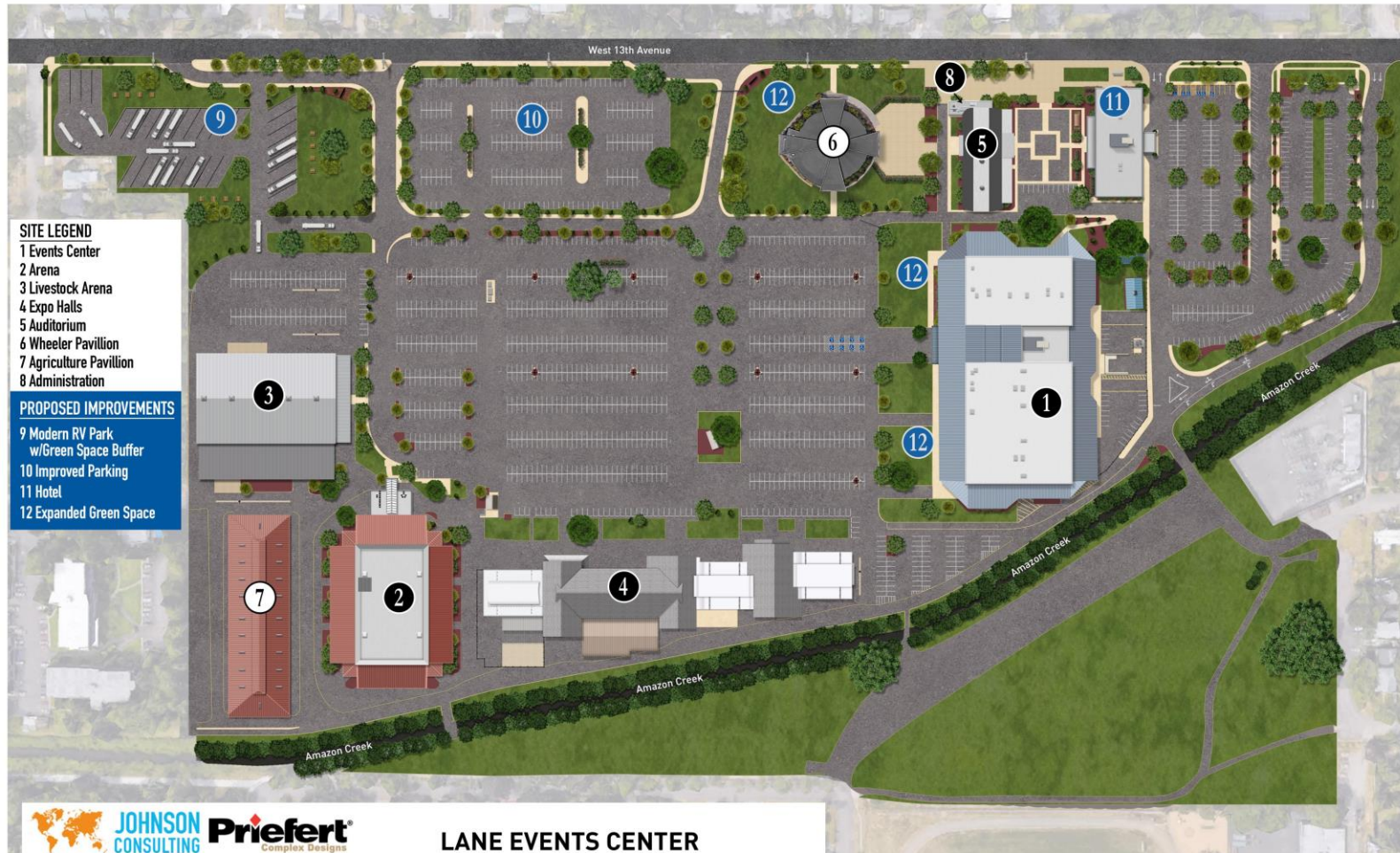
As shown, the gross revenue potential of an improved RV Campground is estimated to range from \$147,826 (low scenario) to \$279,225 (high scenario) in a typical year. Assuming an average development cost of between \$6,000 and \$8,000 per site, based upon current industry standards, the total project cost is estimated to range from \$180,000 to \$240,000. This suggests that the revenue-generating potential of an improved RV Campground would effectively cover the development cost, under any occupancy scenario, within 1 to 2 years.

As it relates to the contemplation of affordable housing on the LEC campus, we do not recommend that this land use be incorporated on the site identified for an RV Campground, nor any other portion of the campus. Affordable housing will not generate any revenues to support and enhance the LEC.



Figure 1 - 10 provides a preliminary concept for potential improvements to the LEC grounds.

Figure 1 - 10



## DEMAND PROJECTIONS

Improvements to the LEC campus will be designed to be sufficiently flexible to continue accommodating the needs of numerous diverse entities. Figure 1 - 11 shows the current (2019) and projected event schedule, by event type, at an improved LEC over a 10-year period. It is noted that Year 1 assumed that all recommended improvements have been completed, and may occur several years after 2019.

**Figure 1 - 11**

Lane Events Center Historical and Projected Events											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	17	17	18	19	20	21	21	21	21	21	21
Lane County Fair	1	1	1	1	1	1	1	1	1	1	1
Other Fair/ Festival	6	6	6	7	7	8	8	8	8	8	8
Retail*	48	50	52	54	56	58	58	58	58	58	58
Animal Show**	9	9	9	10	10	11	11	11	11	11	11
Meeting	14	14	16	18	20	22	22	22	22	22	22
Banquet	9	9	10	11	12	13	13	13	13	13	13
Concert	2	3	4	5	6	7	7	7	7	7	7
Sports	4	7	7	8	8	9	9	9	9	9	9
Miscellaneous	1	6	7	8	9	10	10	10	10	10	10
<b>TOTAL</b>	<b>111</b>	<b>122</b>	<b>130</b>	<b>141</b>	<b>149</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>

*\*Including Consumer and Public Show*

*\*\*Largely occurring in the Livestock Arena*

*Source: LEC, Johnson Consulting, PCD*

As shown, the LEC is projected to host 122 events in Year 1, increasing to and stabilizing at 160 events in Year 5. The most significant increase over current demand is projected in the Convention/ Tradeshow, Retail (Consumer/ Public Show), Meeting, and Banquet categories, reflecting the addition of meeting and ballroom space, improvements to the Convention/ Events Center and enhancements to the Livestock Arena to allow it to function as a true multi-purpose space

Figure 1 - 12 shows the current (2019) and projected attendance, by event type, at an improved LEC over a 10-year period. As shown, the LEC is projected to attract 447,288 attendees in Year 1, representing an increase of 8.4 percent over 2019 attendance, increasing to 655,802 attendees in Year 5 and to 689,255 attendees in Year 10.

Figure 1 - 12

Lane Events Center Historical and Projected Attendance											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	98,150	118,508	128,366	138,544	149,043	159,863	161,461	163,076	164,706	166,354	168,017
Lane County Fair	112,700	110,540	110,540	110,540	110,540	110,540	111,645	112,762	113,889	115,028	116,179
Other Fair/ Festival	36,650	38,810	52,999	92,577	108,793	154,452	155,997	157,557	159,132	160,724	162,331
Retail*	134,900	140,521	143,307	145,876	148,226	150,359	151,862	153,381	154,915	156,464	158,029
Animal Show**	7,500	10,063	10,791	12,799	13,608	15,858	16,017	16,177	16,339	16,502	16,667
Meeting	5,945	5,945	6,794	7,644	8,493	9,342	9,436	9,530	9,625	9,721	9,819
Banquet	5,350	4,239	4,745	5,259	5,779	6,307	6,370	6,433	6,498	6,563	6,628
Concert	2,225	3,735	5,485	7,488	9,743	12,250	12,373	12,496	12,621	12,747	12,875
Sports	9,000	8,140	10,043	13,651	15,826	20,250	20,453	20,657	20,864	21,072	21,283
Miscellaneous	250	6,787	8,844	11,162	13,742	16,582	16,747	16,915	17,084	17,255	17,427
<b>TOTAL</b>	<b>412,670</b>	<b>447,288</b>	<b>481,914</b>	<b>545,539</b>	<b>583,792</b>	<b>655,802</b>	<b>662,360</b>	<b>668,984</b>	<b>675,674</b>	<b>682,430</b>	<b>689,255</b>

\*Including Consumer and Public Show

\*\*Largely occurring in the Livestock Arena

Source: LEC, Johnson Consulting, PCD

## OPERATING PROJECTIONS

Figure 1 - 13 shows the current (2019) and projected operating statement for the first 10 years of operation following completion of all recommended improvements. The projections are based upon historic operating statements and statistics for the LEC, adjusted as appropriate to recommended improvements. The projections use accrual-based accounting, wherein revenues are recognized when they are earned and expenses are recognized when they are incurred. Revenues include all revenues generated by the LEC that can be used for operations. All revenues and expenses are inflated at a 3.0 percent annual rate, unless otherwise specified.



Figure 1 - 13

Lane Events Center Historical and Projected Statements of Revenues and Expenses (\$000) - ALL EVENTS											
	2019	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Operating Revenues</b>											
Building Rental	\$944	\$1,157	\$1,240	\$1,374	\$1,469	\$1,607	\$1,655	\$1,705	\$1,756	\$1,809	\$1,863
Annual Fair	1,223	1,365	1,406	1,448	1,491	1,536	1,598	1,663	1,730	1,799	1,872
F&B	138	244	271	316	349	403	420	436	454	472	491
Equipment Rental	238	348	373	413	441	483	497	512	527	543	559
Miscellaneous	282	373	404	455	492	549	569	589	609	631	653
<b>Total Operating Revenues</b>	<b>\$2,824</b>	<b>\$3,488</b>	<b>\$3,694</b>	<b>\$4,006</b>	<b>\$4,243</b>	<b>\$4,579</b>	<b>\$4,739</b>	<b>\$4,904</b>	<b>\$5,076</b>	<b>\$5,254</b>	<b>\$5,438</b>
<b>Expenses</b>											
Personnel and Fringe	\$1,318	\$1,443	\$1,487	\$1,531	\$1,577	\$1,625	\$1,673	\$1,724	\$1,775	\$1,829	\$1,883
Materials and Services	2,217	2,515	2,652	2,857	3,014	3,226	3,322	3,422	3,525	3,630	3,739
Capital Projects/Outlay	107	55	56	58	60	61	63	65	67	69	71
Other Expenditures	21	28	29	31	33	35	36	38	39	40	41
Reserves	0	73	79	87	93	102	105	109	112	116	119
<b>Total Expenditures</b>	<b>\$3,663</b>	<b>\$4,114</b>	<b>\$4,303</b>	<b>\$4,565</b>	<b>\$4,777</b>	<b>\$5,049</b>	<b>\$5,201</b>	<b>\$5,357</b>	<b>\$5,518</b>	<b>\$5,684</b>	<b>\$5,855</b>
<b>Net Operating Income (Loss)</b>	<b>(\$838)</b>	<b>(\$626)</b>	<b>(\$609)</b>	<b>(\$559)</b>	<b>(\$534)</b>	<b>(\$471)</b>	<b>(\$462)</b>	<b>(\$453)</b>	<b>(\$442)</b>	<b>(\$430)</b>	<b>(\$416)</b>
<b>Non-Operating Revenue and Transfers</b>											
Non-Operating Revenue	\$1,435	\$1,577	\$1,624	\$1,673	\$1,723	\$1,775	\$1,828	\$1,883	\$1,940	\$1,998	\$2,058
Transfers	3,576	3,049	3,140	3,234	3,331	3,431	3,534	3,640	3,750	3,862	3,978
<b>Total</b>	<b>\$5,011</b>	<b>\$4,626</b>	<b>\$4,765</b>	<b>\$4,907</b>	<b>\$5,055</b>	<b>\$5,206</b>	<b>\$5,362</b>	<b>\$5,523</b>	<b>\$5,689</b>	<b>\$5,860</b>	<b>\$6,036</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$4,173</b>	<b>\$4,000</b>	<b>\$4,155</b>	<b>\$4,348</b>	<b>\$4,521</b>	<b>\$4,736</b>	<b>\$4,900</b>	<b>\$5,071</b>	<b>\$5,247</b>	<b>\$5,430</b>	<b>\$5,619</b>

\*Reflecting the first full year of an improved operation, which may be a number of years after 2019.

Source: LEC, Johnson Consulting, PCD

As shown, in a stabilized year of operation (assumed to be Year 5), operating revenues are projected to amount to close to \$4.6 million and operating expenditures to \$5.0 million, resulting in a net operating loss of (\$471,000), before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, the LEC is projected to report revenues of \$4.7 million. These projections represent a significant improvement over 2019, when the LEC is estimated to incur a net operating deficit of (\$838,000) and \$4.1 million in total revenues after accounting for non-operating revenues and expenses.

## ECONOMIC AND FISCAL IMPACT ANALYSIS

Figure 1 - 14 shows the total estimated economic and fiscal impact of the LEC following completion of all recommended improvements and reflecting the assumptions described above. As shown, in a stabilized year (Year 5) visitors to the LEC are projected to generate \$42.8 million in direct spending, \$68.9 million in total spending, and \$19.7 million in increased earnings, and support 888 full-time equivalent (FTE) jobs annually. The fiscal impact of the LEC is estimated to be \$498,000 of lodging tax revenues, annually in a stabilized year (Year 5).

Although our study did not include a specific analysis of the current impact of operations at the LEC, our base assumptions for 2019 highlight a significant impact that includes \$22.7 million in direct spending, \$36.5 million in total spending, \$10.5 million in increased earnings, and 580 FTE jobs, along with \$252,000 in lodging tax revenues, annually.



Figure 1 - 14

Lane Events Center Estimated Spending and Impact												
	Rate/ Assumption	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Activity Volume</b>												
1	Attendance	412,670	447,288	481,914	545,539	583,792	655,802	662,360	668,984	675,674	682,430	689,255
	Person-Days											
2	Attendees	512,518	586,677	633,844	710,554	762,443	848,649	857,136	865,707	874,364	883,108	891,939
3	Exhibitors and Other Visitors	182,740	217,724	225,246	242,835	250,407	268,046	268,046	268,046	268,046	268,046	268,046
4	<b>Total</b>	<b>695,258</b>	<b>804,400</b>	<b>859,090</b>	<b>953,389</b>	<b>1,012,850</b>	<b>1,116,695</b>	<b>1,125,182</b>	<b>1,133,753</b>	<b>1,142,410</b>	<b>1,151,154</b>	<b>1,159,985</b>
5	Room Nights	20,480	24,096	25,496	28,309	29,821	32,866	33,030	33,196	33,364	33,533	33,704
<b>Sales Volume (\$000)</b>												
6	<b>Spending at Lane Events Center</b>	<b>\$2,824</b>	<b>\$3,488</b>	<b>\$3,694</b>	<b>\$4,006</b>	<b>\$4,243</b>	<b>\$4,579</b>	<b>\$4,739</b>	<b>\$4,904</b>	<b>\$5,076</b>	<b>\$5,254</b>	<b>\$5,438</b>
<b>Additional Spending</b>												
	<i>Av. Spending</i>											
7	On Lodging	\$2,232	\$2,870	\$3,128	\$3,577	\$3,881	\$4,406	\$4,561	\$4,721	\$4,887	\$5,060	\$5,238
	On Food and Incidentals											
8	by Attendance	\$7,816	\$9,776	\$10,879	\$12,562	\$13,884	\$15,917	\$16,558	\$17,226	\$17,920	\$18,642	\$19,393
9	by Exhibitors and Other Visitors	\$9,183	\$11,955	\$12,739	\$14,146	\$15,025	\$16,566	\$17,063	\$17,574	\$18,102	\$18,645	\$19,204
10	On Car Rental	\$695	\$893	\$973	\$1,113	\$1,208	\$1,371	\$1,419	\$1,469	\$1,521	\$1,575	\$1,630
11	<b>Subtotal Additional Spending</b>	<b>\$19,926</b>	<b>\$25,495</b>	<b>\$27,720</b>	<b>\$31,398</b>	<b>\$33,998</b>	<b>\$38,260</b>	<b>\$39,601</b>	<b>\$40,991</b>	<b>\$42,430</b>	<b>\$43,921</b>	<b>\$45,465</b>
12	<b>Total</b>	<b>\$22,750</b>	<b>\$28,983</b>	<b>\$31,414</b>	<b>\$35,404</b>	<b>\$38,241</b>	<b>\$42,838</b>	<b>\$44,340</b>	<b>\$45,895</b>	<b>\$47,506</b>	<b>\$49,175</b>	<b>\$50,904</b>
		2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Economic Impact (\$000)</b>												
13	Direct Spending	\$22,750	\$28,983	\$31,414	\$35,404	\$38,241	\$42,838	\$44,340	\$45,895	\$47,506	\$49,175	\$50,904
	<i>Multiplier</i>											
14	Indirect Spending	13,833	17,623	19,101	21,528	23,252	26,048	26,961	27,907	28,886	29,901	30,952
15	<b>Total Spending</b>	<b>\$36,583</b>	<b>\$46,606</b>	<b>\$50,515</b>	<b>\$56,932</b>	<b>\$61,493</b>	<b>\$68,886</b>	<b>\$71,301</b>	<b>\$73,802</b>	<b>\$76,392</b>	<b>\$79,076</b>	<b>\$81,856</b>
16	Increased Earnings	\$10,494	\$13,369	\$14,490	\$16,331	\$17,639	\$19,760	\$20,452	\$21,170	\$21,913	\$22,683	\$23,480
17	Increased Employment	580	676	711	778	816	888	892	896	901	905	910
<b>Fiscal Impact (\$000)</b>												
	<i>Tax Rates</i>											
17	State Lodging Tax	\$40	\$52	\$56	\$64	\$70	\$79	\$82	\$85	\$88	\$91	\$94
18	Local Lodging Tax	212	273	297	340	369	419	433	449	464	481	498
19	<b>Total Tax Revenues</b>	<b>\$252</b>	<b>\$324</b>	<b>\$353</b>	<b>\$404</b>	<b>\$439</b>	<b>\$498</b>	<b>\$515</b>	<b>\$533</b>	<b>\$552</b>	<b>\$572</b>	<b>\$592</b>

a) Derived from US GSA Per Diem for Eugene and Portland, and Business Travel News' Corporate Travel Index for Portland.

b) Assuming an average spend of \$15 on meals and incidentals ON TOP OF what they may have spent already at the LEC.

c) Assuming an average spend of \$50 on meals and incidentals (or \$35 higher than that of an attendee's) ON TOP OF what they may have spent already at the LEC.

d) Derived from US GSA Per Diem for Eugene and Portland, and Business Travel News' Corporate Travel Index for Portland. Only applied to overnight visitors who stay in hotels.

Source: LEC, Johnson Consulting, PCD

## FUNDING RECOMMENDATIONS

The funding sources for improvements to the LEC should be as broad as possible, with funding from the County, as well as potential funding from the City, University and private sponsors and benefactors. Each time any amount of funding is secured, it should be allocated to a specific improvement project. This will help to advance the improvement strategies for the LEC.

Our funding recommendations are summarized as follows:

- **COUNTY FUNDING:** The County will have to direct, redirect or extend certain revenue streams for this facility. The most logical sources of funding for the County would be the General Fund, revenue bonds and hotel tax.
- **UNIVERSITY PARTNERSHIP:** The University is also a natural funding partner for the LEC, particularly given its educational focus and the potential to provide complementary sports and recreation facilities. There may also be a way to market facilities at the LEC collaboratively so as to demonstrate a critical mass of offerings and attract users to the marketplace. Arrangements could be made to allow the University to utilize the LEC facilities for their programs.
- **PRIVATE SPONSORS:** The LEC should be positioned to attract naming rights sponsors for various improved buildings and facilities. There are a number of potential partners among the prominent businesses throughout the region. Section 2 of this report identifies major corporations active in the local area.

## IMPLEMENTATION STRATEGY

In order to assist LEC Management in prioritizing improvements to the LEC campus, Johnson Consulting and PCD assigned an implementation ranking, based upon cost, ease and the ability to create meaningful outcomes for the LEC with regard to demand and revenue potential. It is noted that the implementation ranking, as shown in Figure 1 - 15, is a quantitative measure and should be used in conjunction with the recommendations described above, as these will be most effective in positioning the LEC for ongoing success, albeit for more substantial financial outlay.

It is noted that these projects do not include a hotel, which should be set forth in the site masterplan, advocated for by the County, and executed on a long-term land lease with incentives provided to make it feasible. Modifying the Convention/ Events Center and adding meeting and ballroom space will result in the greatest level of tourism impact and hotel room night generation, and will serve existing customers better. The analysis shows that these improvements are most expensive to implement, but are also most needed.

Figure 1 - 15

Lane Events Center Recommended Improvements - Implementation Rating					
Facility	Recommended Improvement	Ease*	Cost**	Effectiveness***	Impact on Demand
Convention/ Events Center	Reduce number of entry points accessible to the public.	1	1	1	3
Ice Arena	Replace / remove bleachers to provide additional floor space.	1	1	2	4
Livestock Arena	Provide handicapped accessibility for the elevated viewing area on the east end of the building.	2	2	1	5
Auditorium	Improve ventilation with the addition of exhaust fans and high-volume/low-speed ceiling hung fans.	1	3	1	5
Site	Improve wayfinding to site, and within site, by providing easy to read, and easy to see, signage.	1	3	1	5
Livestock Arena	Replace Main Arena dirt floor with concrete floor.	1	3	2	6
Livestock Arena	Provide an enhanced sound system would make events more manageable by the promoters and more enjoyable by attendees.	1	4	1	6
Exposition Hall	Improve acoustics in areas of dense occupancy.	2	2	2	6
Wheeler Pavilion	Improve audio system and acoustical treatments.	1	4	1	6
Site	Create grand entrance to identify the entry and define a theme for the fairgrounds.	2	3	1	6
Site	Provide improved green space for outdoor gatherings.	2	3	1	6
Site	Increase tree plantings to provide shade during outdoor events and to soften the buildings' facades.	1	3	2	6
Events/ Convention Center	Improve overall security procedures, and security, by limiting access to the building, installing cameras, and installing motion detectors.	2	4	1	7
Ice Arena	Repair roof leaks.	3	3	1	7
Ice Arena	Replace arena floor with concrete for additional exhibition space.	3	4	1	8
Exposition Hall	Update restrooms and make compliant with ADA.	3	4	1	8
Exposition Hall	Repair areas of wood decay to prevent severe structural damage.	3	3	2	8
Wheeler Pavilion	Provide air conditioning to make the use of the Pavilion more comfortable during the summer months.	2	4	2	8
Wheeler Pavilion	Update restrooms to bring into compliance with ADA requirements	3	4	1	8
Exposition Hall	Improve HVAC for year-round comfort for events.	3	4	2	9
Site	Provide improved and additional RV sites to increase revenue during events.	4	4	1	9
Convention/ Events Center	Improve lighting levels and provide adjustable lighting within exhibition space.	4	4	2	10
Convention/ Events Center	Increase door widths and overhead door access for large deliveries to the building for event logistics.	4	4	2	10
Convention/ Events Center	Provide a more open entry with better lighting in order to make Events Center more inviting to visitors.	5	5	1	11
Convention/ Events Center	Provide additional and appropriately sized and shaped break-out rooms are needed to better facilitate meetings, lectures, and presentations.	5	5	1	11
Livestock Arena	Provide an upgraded entry, improved restrooms and the addition of meeting space should be considered to make the building more marketable for events.	4	4	3	11
Exposition Hall	Provide larger doorways for loading equipment in and out of the facility.	4	4	3	11
Convention/ Events Center	Provide service corridor for operations throughout the building during events.	5	5	2	12

\* Ease: 1 = Easily Implemented; 5 = Difficult to Implement

\*\* Cost: 1 = Inexpensive to Implement; 5 = Expensive to Implement

\*\*\* Effectiveness: 1 = Results in Meaningful Changes; 5 = Results in Less Meaningful Changes

Source: PCD, Johnson Consulting

# MARKET ANALYSIS



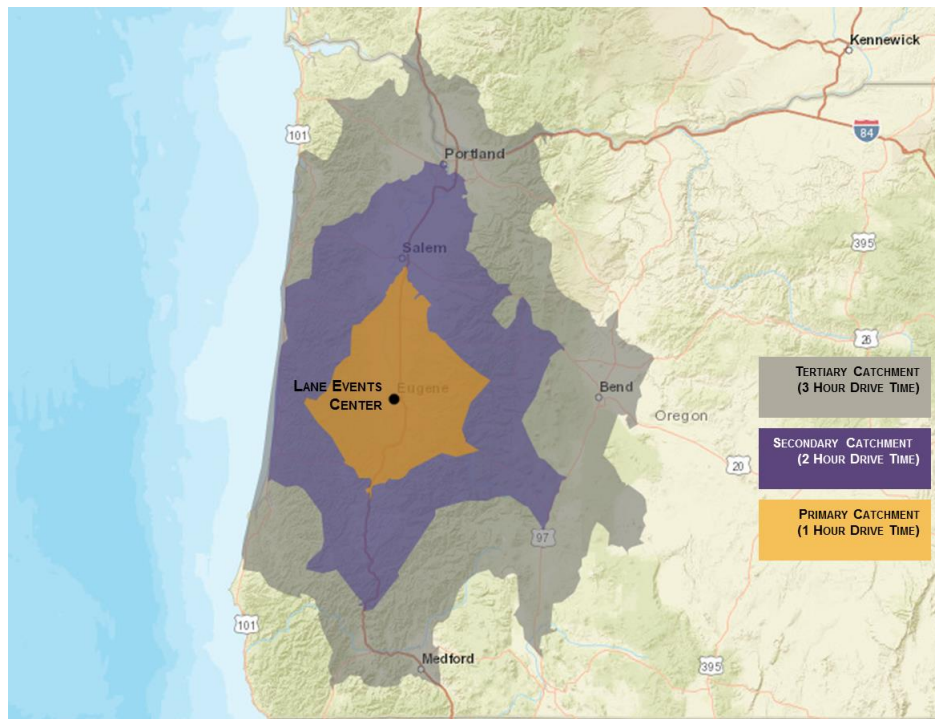
## MARKET ANALYSIS

In order to analyze the market opportunity for various improvements to the LEC, Johnson Consulting undertook a detailed analysis of market conditions in Lane County and the broader region. The key objectives of our analysis were to identify structural factors, strengths and weaknesses that may affect the market’s ongoing competitive position and to gauge the level of ongoing support that exists for various offerings at the LEC. While characteristics such as population, employment, and income are not strict predictors of the performance of Fairgrounds and event venues, nor of tourism and economic development potential, they provide insight into the capacity of the market to provide ongoing support for facilities and activities. In addition, the size and role of a marketplace, its civic leadership, corporate presence, proximity to other metropolitan areas, land use patterns, transportation concentrations, and amenities and attractions directly influence the scale and quality of facilities that can be supported within that particular market.

## DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The following analysis highlights key demographic and socio-economic characteristics of Lane County, as well as populations within a 1-, 2-, and 3-hour drive time radius of the LEC, as shown in Figure 2 - 1. These reflect the estimated primary, secondary and tertiary catchment areas for the LEC. Within a 3-hour drive time, there is access to a population of more than 4.0 million persons, which is a significant demand pool that can potentially be attracted to the LEC.

Figure 2 - 1



Source: Esri BAO, Johnson Consulting

## POPULATION

The 2018 resident population of Lane County was 376,223 persons. Since 2010, the population of the County has increased at an average annual rate of 0.8 percent, which is consistent with the rate of growth observed throughout the U.S. but slightly slower than the rate of growth recorded throughout Oregon (1.1 percent per annum). Within a 1-hour drive time radius of the LEC, the resident population is estimated to be 570,537 persons, increasing to 2.0 million persons within a 2-hour drive-time radius and to 4.3 million persons within a 3-hour drive time radius of the LEC. Since 2010, population growth within the 1-hour drive time catchment has mirrored the rate of growth recorded in Lane County, increasing at an average annual rate of 0.9 percent, while rates of growth within the 2-hour and 3-hour drive time catchment areas have more closely aligned with the State average (1.0 and 1.1 percent growth per annum, respectively). These historic and current population trends are shown in Figure 2 - 2.

Figure 2 - 2

Historic & Current Population - Lane County (2010-2018)			
	2010	2018	CAGR* 2010-2018
<b>Lane County</b>	<b>351,715</b>	<b>376,223</b>	<b>0.8%</b>
1-hour drive time	531,694	570,537	0.9%
2-hour drive time	1,846,854	2,001,079	1.0%
3-hour drive time	3,918,439	4,315,484	1.2%
Oregon	3,831,074	4,185,014	1.1%
U.S.	308,745,538	330,088,686	0.8%

\* Compounded Annual Growth Rate  
 Note: Distance Measured from LEC  
 Source: Esri BAO, Johnson Consulting

Going forward, the population of Lane County is projected to reach 395,766 persons by 2023. This represents an average annual increase of 1.0 percent over 2018, which is slightly faster than the forecast rate of growth throughout the U.S. (0.8 percent per annum) but slower than the rate of growth forecast across Oregon (1.2 percent). Within a 1-hour and 2-hour drive time radius of the LEC, similar rates of growth are forecast (1.0 and 1.1 percent per annum, respectively), with a slightly faster rate of 1.3 percent per annum projected throughout the 3-hour drive time catchment area. Figure 2 - 3 shows current and forecast population growth within the various geographies.

Figure 2 - 3

Projected Population - Lane County (2018-2023)			
	2018	2023	CAGR* 2018-2023
<b>Lane County</b>	<b>376,223</b>	<b>395,766</b>	<b>1.0%</b>
1-hour drive time	570,537	600,480	1.0%
2-hour drive time	2,001,079	2,117,705	1.1%
3-hour drive time	4,315,484	4,598,145	1.3%
Oregon	4,185,014	4,439,230	1.2%
U.S.	330,088,686	343,954,683	0.8%

\* Compounded Annual Growth Rate

Note: Distance Measured from LEC

Source: Esri BAO, Johnson Consulting

## AGE CHARACTERISTICS

The age composition of a particular market can be a particularly important factor in determining the ongoing success of event and entertainment venues, as certain types of events appeal to specific age groups. In 2018, the median age of residents of Lane County was 40.6 years, which was slightly older than the national average (38.3 years). The median age of residents within a 1-hour drive time radius of the LEC is similar to the national average (38.8 years), with slightly older median ages reported throughout the 2-hour (39.5 years) and 3-hour (40.2 years) drive time catchment areas, as well as throughout the State (39.7 years).

Going forward, the median age of residents of Lane County is expected to grow to 41.5 years by 2023, representing an increase of 2.2 percent over 2018 figures, which is higher than the rate of growth forecast throughout Oregon and the U.S. (both 1.8 percent). Similarly, the median age of residents within a 1-hour drive time radius is projected to increase by 1.8 percent between 2018 and 2023, while the rate of growth forecast throughout 2-hour drive time catchment (2.3 percent) is more closely aligned with Lane County. In contrast, within the 3-hour drive time catchment, the median age of residents is projected to increase at a much slower rate of 1.5 percent between 2018 and 2023. Figure 2 - 4 shows the median age characteristics of the County and catchment areas relative to the U.S.



Figure 2 - 4

Median Age - Lane County (2010-2023)					
	2010	2018	2023	% Growth 2010-2018	Growth 2018-2023
<b>Lane County</b>	<b>38.9</b>	<b>40.6</b>	<b>41.5</b>	<b>4.4%</b>	<b>2.2%</b>
1-hour drive time	37.2	38.8	39.7	4.3%	2.3%
2-hour drive time	38.1	39.5	40.2	3.7%	1.8%
3-hour drive time	37.8	39.3	39.9	4.0%	1.5%
Oregon	38.3	39.7	40.4	3.7%	1.8%
U.S.	37.1	38.3	39.0	3.2%	1.8%

Note: Distance Measured from Soundside Site  
 Source: Esri BAO, Johnson Consulting

### EDUCATIONAL ATTAINMENT

Residents of Lane County are well educated, with 39.6 percent of residents aged 25 years and older holding an Associate’s degree or higher. This is generally consistent with the national average (40.3 percent). Similar educational attainment levels are reported within a 1-hour drive time radius of the LEC, with 40.7 percent of residents aged 25 years and older holding an Associate’s degree or higher, while even higher attainment levels are recorded within a 2-hour and 3-hour drive time radius (43.4 and 42.5 percent, respectively), as well as throughout Oregon (41.9 percent). Figure 2 - 5 provides a breakdown of educational attainment levels in Lane County and the defined catchment areas, relative to State and national averages.

Figure 2 - 5

Educational Attainment 25+ Years - Lane County (2018)												
	Lane County		1-hour drive time		2-hour drive time		3-hour drive time		Oregon		U.S.	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Less than High School	6,591	2.5%	9,730	2.5%	45,746	3.3%	102,037	3.4%	105,359	3.6%	27,681,332	12.3%
High School Graduate	65,115	24.7%	94,966	24.4%	314,678	22.7%	711,260	23.7%	702,390	24.0%	51,761,839	23.0%
GED/Alternative Credential	11,863	4.5%	17,514	4.5%	59,609	4.3%	129,047	4.3%	131,698	4.5%	9,002,059	4.0%
Some College, No Degree	75,924	28.8%	108,588	27.9%	364,583	26.3%	783,286	26.1%	763,849	26.1%	46,135,553	20.5%
Associates Degree	23,463	8.9%	35,029	9.0%	119,217	8.6%	264,097	8.8%	248,763	8.5%	19,129,375	8.5%
Bachelor’s Degree	47,716	18.1%	72,782	18.7%	292,498	21.1%	618,226	20.6%	594,105	20.3%	44,110,089	19.6%
Graduate Degree	33,217	12.6%	50,597	13.0%	189,916	13.7%	393,144	13.1%	383,388	13.1%	27,456,280	12.2%
<b>TOTAL</b>	<b>263,624</b>		<b>389,206</b>		<b>1,386,246</b>		<b>3,001,097</b>		<b>2,926,626</b>		<b>225,051,476</b>	

Source: Esri BAO, Johnson Consulting

## HOUSEHOLD INCOME

In 2018, the median household income in Lane County was \$51,894, which was lower than the median household incomes within a 1-, 2-, and 3-hour drive time radii of the LEC, as well as State (\$57,902) and national (\$58,100 per annum) averages. By 2023, the median household income in the County is expected to reach \$56,146, representing an average annual increase of 1.6 percent. This growth rate is significantly lower than the state (2.2 percent) and national (2.5 percent) averages, as well as forecast growth throughout the 2- hour and 3-hour catchment areas (2.1 percent and 2.3 percent, respectively). Within a 1-hour drive time radius, the projected growth in income is more consistent with County projections (1.7 percent). Figure 2 - 6 shows the current and projected median household incomes within the defined geographies.

Figure 2 - 6

Median Household Income - Lane County (2018-2023)			
	2018	2023	CAGR* 2018-2023
<b>Lane County</b>	<b>\$51,894</b>	<b>\$56,146</b>	1.6%
1-hour drive time	\$53,031	\$57,669	1.7%
2-hour drive time	\$59,744	\$66,414	2.1%
3-hour drive time	\$60,192	\$67,404	2.3%
Oregon	\$57,902	\$64,471	2.2%
U.S.	\$58,100	\$65,727	2.5%

\* Compounded Annual Growth Rate

Note: Distance Measured from Soundside Site

Source: Esri BAO, Johnson Consulting

## ENTERTAINMENT SPEND

Residents of Lane County and the 1-hour drive time catchment area spend slightly less on entertainment than the average spending across the U.S., while residents within the 2-hour and 3-hour drive time catchment areas spend approximately the same amount as the U.S. average. In Lane County, residents spend an average of \$94.61 annually on fees for participant sports (representing 84.0 percent of the national average spending), \$55.89 annually on theaters, operas, and concert tickets (88.0 percent of the national average), \$67.85 annually on tickets to movies, museums, and parks (85.0 percent of the U.S. average), and \$48.41 annually on admission to sporting events (82.0 percent of the U.S. average). Figure 2 - 7 shows rates of spending in the County and catchment areas.

Figure 2 - 7

Average Spending on Entertainment - Lane County (2018)								
Spending Category	Lane County		1-Hour Drive Time Catchment		2-Hour Drive Time Catchment		3-Hour Drive Time Catchment	
	Average Spend *	Index**	Average Spend *	Index**	Average Spend *	Index**	Average Spend *	Index**
Fees for Participant Sports	\$94.61	84	\$95.43	84	\$112.90	100	\$112.17	99
Tickets to Theater/ Operas/ Concerts	\$55.89	84	\$56.14	85	\$65.72	99	\$65.27	99
Tickets to Movies/ Museums/ Parks	\$67.85	85	\$68.79	86	\$80.09	100	\$79.87	100
Admission to Sporting Events	\$48.41	82	\$49.43	83	\$58.28	98	\$57.69	97
<b>TOTAL</b>	<b>\$266.76</b>	<b>-</b>	<b>\$269.79</b>	<b>-</b>	<b>\$316.99</b>	<b>-</b>	<b>\$315.00</b>	<b>-</b>

\* Average spend per person, per annum

\*\* National Average = 100

Source: Esri ArcGIS BAO, Johnson Consulting

## EMPLOYMENT

In 2018, data from the Bureau of Labor Statistics (BLS) indicates that the predominant industries of employment in Lane County were Trade, Transportation and Utilities (19.1 percent of employed persons aged 16 years and older), Education and Health Services (17.7 percent), and Government (15.5 percent). Between 2017 and 2018, the largest increase in employment was recorded in Education and Health Services (9.6 percent), while the largest decrease was reported in Information, contracting by (10.7) percent. Figure 2 - 8 shows employment by industry in Lane County.

Figure 2 - 8

<b>Non-Farm Employment by Industry - Lane County (2017-2018)</b>			
<b>Industry</b>	<b>2017</b>	<b>2018</b>	<b>Growth Rate 2017-2018</b>
<b>Natural Resources and Mining</b>	2,283	2,356	3.2%
<i>% of Total</i>	1.5%	1.5%	
<b>Construction</b>	6,882	7,199	4.6%
<i>% of Total</i>	4.5%	4.6%	
<b>Manufacturing</b>	13,790	14,164	2.7%
<i>% of Total</i>	8.9%	9.0%	
<b>Trade, Transportation, and Utilities</b>	29,986	29,867	(0.4%)
<i>% of Total</i>	19.4%	19.1%	
<b>Information</b>	2,701	2,411	(10.7%)
<i>% of Total</i>	1.7%	1.5%	
<b>Financial Activities</b>	6,144	6,198	0.9%
<i>% of Total</i>	4.0%	4.0%	
<b>Professional and Business Services</b>	17,956	18,192	1.3%
<i>% of Total</i>	11.6%	11.6%	
<b>Education and Health Services</b>	25,325	27,760	9.6%
<i>% of Total</i>	16.4%	17.7%	
<b>Leisure and Hospitality</b>	17,249	17,525	1.6%
<i>% of Total</i>	11.2%	11.2%	
<b>Other Services</b>	6,597	6,639	0.6%
<i>% of Total</i>	4.3%	4.2%	
<b>Government</b>	25,620	24,328	(5.0%)
<i>% of Total</i>	16.6%	15.5%	
<b>TOTAL</b>	<b>154,533</b>	<b>156,639</b>	<b>1.4%</b>

Source: BLS, Johnson Consulting

## UNEMPLOYMENT

Figure 2 - 9 shows the annual unemployment rates in Lane County relative to the U.S., for the period of 2014 through 2018. As shown, since 2014 the unemployment rate in Lane County has trended downwards but has generally tracked above the national average. In 2018, the unemployment in the County was 4.5 percent, compared to 4.2 percent throughout Oregon and 3.9 percent throughout the U.S.

Figure 2 - 9

Unemployment Rate - Lane County (2014-2018)						
	Lane County		Oregon		U.S.	
	Rate	Change	Rate	Change	Rate	Change
<b>2014</b>	6.9%	-	6.8%	-	6.2%	-
<b>2015</b>	5.8%	(1.1)	5.6%	(1.2)	5.3%	(0.9)
<b>2016</b>	5.1%	(0.7)	4.8%	(0.8)	4.9%	(0.4)
<b>2017</b>	4.4%	(1.4)	4.1%	(2.7)	4.4%	(1.8)
<b>2018</b>	4.5%	(0.6)	4.2%	(1.4)	3.9%	(1.4)

Source: BLS, Johnson Consulting

## MARKET ATTRIBUTES

### LOCATION AND ACCESS

The strategic location of Lane County in Southern Willamette Valley means that is accessible via various modes of transport:

- AIR:** Eugene Airport (EUG) is located immediately to the northwest of Eugene. EUG serves 1.1 million passengers annually, with non-stop flights to 12 destinations throughout the U.S. operated by 5 airlines. Portland International Airport (PDX), which is located approximately 120 miles (2 hour drive time) to the north of Eugene, is the closest international airport. PDX serves 19.8 million passengers annually, with non-stop flights to 73 national and international destinations operated by 16 airlines.
- RAIL:** Amtrak passenger services are available from Eugene Station, which is located approximately 1.4 miles to the northeast of the LEC. Daily services operate along the Amtrak Cascades line between Eugene and Vancouver, BC via Portland, OR and Seattle, WA, and along the Coast Starlight line between Seattle, WA and Los Angeles, CA, with connecting service to San Diego, CA. Thruway bus service is also available between Eugene Station and the University of Oregon.

- **BUS:** The Lane Transit District (LTD) operates regular commuter bus services throughout Eugene and Springfield. There are routes along the LEC's northern boundary on W 13<sup>th</sup> Avenue and eastern boundary on Jefferson Street, as well as to the south of the campus along W 18<sup>th</sup> Avenue.
- **ROAD:** Interstate Highway 5 runs along the eastern boundary of Eugene, providing connectivity with the University of Oregon and Vancouver, BC to the north and the U.S.-Mexico border to the south. The area is also served by Oregon Routes 36, 58, 99, 126 and 158.

### EDUCATIONAL INSTITUTIONS

There are a number of higher education institutions located within and around Eugene and throughout Lane County. Some of the larger institutions include:

- **UNIVERSITY OF OREGON (UO):** Located immediately to the east of downtown Eugene, approximately 1.8 miles to the east of the LEC, UO is the largest public institution in the State. UO offers over 300 academic programs across 9 colleges and schools including Arts and Sciences, Business, Design, Education, Honors College, Journalism and Communication, Music and Dance, Law and the Graduate School. The 295-acre campus has a total enrollment of 22,760 students.
- **LANE COMMUNITY COLLEGE:** The College's main campus is located approximately 5.7 miles to the southeast of the LEC, with 5 additional satellite campuses throughout the County, including a downtown campus, approximately 1.0 miles to the northeast of the LEC. Lane Community College enrolls 25,000 students annually in transfer, career technical, and personal enrichment programs.
- **NORTHWEST CHRISTIAN UNIVERSITY (NCU):** NCU is a private liberal arts college located immediately to the northwest of the UO campus, approximately 1.5 miles to the east of the LEC. NCU offers undergraduate, graduate and certificate programs, with a total enrollment of 800 students, including 367 undergraduates, 226 online/ evening undergraduates, and 207 graduate students.
- **NEW HOPE CHRISTIAN COLLEGE (NHCC):** NHCC is a private bible college located approximately 3.5 miles to the southwest of the LEC. NHCC offers a Bachelor of Science – Creative Arts of Ministry Leadership and Associate of Science – Ministry Leadership programs, with various areas of concentration. The 36-acre campus has a total enrollment of approximately 140 students.

The Eugene School District includes 5 high schools, 8 middle schools and 19 elementary schools, supplemented by a number of private and parochial schools. The adjoining Bethel School District, located at the northwest boundary of Eugene, includes an additional 11 schools.

**CORPORATE PRESENCE**

A strong corporate and business presence can be an important factor in the success of any event and entertainment facility, because local businesses support facilities by attracting residents to the area and providing disposable income, through their requirement for event space, and through donations, advertising, and sponsorships. Figure 2 - 10 shows the largest employers in Lane County, indicating that the largest employers are concentrated within the healthcare, education and government sectors.

**Figure 2 - 10**

<b>Largest Employers - Lane County (2016)</b>		
<b>Employer</b>	<b>Industry</b>	<b># Employees</b>
PeaceHealth	Healthcare	5,500
University of Oregon	Education	5,479
U.S. Government	Government	1,602
City of Eugene	Government	1,463
Lane County Government	Government	1,369
Springfield School District	Education	1,242
Eugene 4J School District	Education	1,198
Lane Community College	Education	943
McKenzie-Willamette Medical Center	Healthcare	880
Royal Caribbean	Tourism	700

Source: Lane County, Johnson Consulting

**HOTEL INVENTORY**

Data from Smith Travel Research (STR), which is an independent hotel research firm whose statistics are widely used within the industry, indicates that there are 55 hotel properties throughout Eugene and Springfield, totaling 4,120 guest rooms. Figure 2 - 11 shows hotels with more than 50 guest rooms that are located within a 5-mile radius of the LEC, indicating a total inventory of 33 properties and 3,380 guest rooms. As shown, the largest hotels within 2 miles of the LEC are the 274-room The Graduate (formerly Hilton Eugene), which also has the largest inventory of meeting space (34,800 SF), and the 257-room Valley River Inn, which offers 15,085 SF of meeting space.



Figure 2 - 11

Hotel Inventory within 5 miles of LEC with 50+ Guest Rooms (2019)					
Hotel	Distance from Subject Site (Miles)	Chain Scale*	Year Opened	Guest Rooms	Meeting Space (SF)
Home2 Suites by Hilton Eugene Downton University	0.6	Upper Midscale	2016	120	625
Econo Lodge Eugene	0.6	Economy	1975	56	-
The Graduate	0.9	Independent	1982	274	34,800
Timbers Inn	0.9	Independent	1979	54	-
Campus Inn	1.1	Independent	1960	59	-
The Inn @ The 5th	1.2	Independent	2012	69	1,556
Red Lion Inn and Suites Eugene	1.2	Midscale	2009	50	5,600
66 Motel	1.3	Independent	1965	66	-
Phoenix Inn Suites Eugene	1.4	Independent	1994	95	2,325
Valley River Inn	1.5	Independent	1973	257	15,085
Residence Inn Eugene Springfield	1.6	Upscale	2001	108	150
La Quinta Inn and Suites Eugene	1.6	Upper Midscale	2000	73	1,800
EVEN Hotels Eugene	1.8	Upscale	2017	100	1,060
Best Western New Oregon	1.9	Midscale	1959	129	-
Best Western Greentree Inn	2.0	Midscale	1977	65	-
Days Inn Eugene Downtown University	2.0	Economy	1997	60	-
Hyatt Place Eugene Oakway Center	2.1	Upscale	2017	130	400
Hampton Inn Eugene	2.2	Upper Midscale	2011	61	625
Holiday Inn Express and Suites Eugene Downtown University	2.3	Upper Midscale	2007	114	870
Fairfield Inn and Suites Eugene East/ Springfield	2.9	Upper Midscale	2018	81	240
Candlewood Suites Eugene Springfield	2.9	Midscale	2014	87	-
Comfort Suites Eugene	3.2	Upper Midscale	2008	67	450
Motel 6 Eugene South Springfield	3.4	Economy	1968	59	-
HomeTowne Studios Eugene Springfield	4.1	Economy	1997	127	-
Super 8 Springfield	4.1	Midscale	1991	65	-
GuestHouse Inn Eugene Springfield	4.2	Midscale	1978	143	-
Quality Inn and Suites Springfield	4.2	Midscale	1978	100	470
Hilton Garden Inn Eugene Springfield	4.2	Upscale	2011	149	6,460
Comfort Suites Springfield	4.3	Upper Midscale	1999	77	600
Holiday Inn Express Eugene Springfield East I-5	4.3	Upper Midscale	1993	85	-
Courtyard Eugene Springfield	4.3	Upscale	1997	116	595
Holiday Inn Eugene Springfield	4.3	Upper Midscale	2008	153	4,350
Motel 6 Eugene North Springfield	4.3	Economy	1985	131	-
<b>TOTAL</b>				<b>3,380</b>	<b>78,061</b>

\* Chain scale defined by Smith Travel Research (STR) whereby 1) Upscale are typically full-service hotel properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas; 2) Upper Midscale, Midscale and Economy are typically limited-service properties that offer limited facilities and amenities, typically without a full-service restaurant; 3) Independent are properties that are not affiliated with a chain and are independently operated.

Source: STR, Mpoint, Relevant Properties, Johnson Consulting

In addition to the existing inventory, there are several hotel properties in various stages of planning and development throughout Eugene and Springfield. Figure 2 - 12 summarizes 3 projects that have scheduled openings, totaling 368 guest rooms. It is noted that the Romania project is still tentative at the time of this study.



Figure 2 - 12

<b>Planned Hotel Projects - Eugene/ Springfield (2019)</b>			
<b>Hotel</b>	<b>Location</b>	<b>Guest Rooms</b>	<b>Scheduled Opening</b>
<b>Tru by Hilton</b>	Glenwood	86	2020
<b>The Gordon</b>	Market District	82	2020
<b>Romania Project</b>	Walnut & Franklin	200	2022
<b>TOTAL</b>		<b>368</b>	

Source: Travel Lane County, Johnson Consulting

Data from Travel Lane County's (TLC) Annual Reports indicates that Lane County collected \$12.2 million in local transient room tax in 2018. This represented an increase from 2017's \$11.6 million and \$10.5 million in 2016, in part reflecting the addition of new inventory to the market but continuing the steady upward trend observed since 2011.

#### **EVENT VENUES (NON-HOTEL)**

The LEC is the largest meeting and event space in the Eugene market. In addition to hotel meeting space, as listed in Figure 2 - 11, existing event and entertainment venues within the local market are shown in Figure 2 - 13. The largest venues include the 12,500-seat Matthew Knight Arena, home of University of Oregon's basketball teams, and the 9,000-seat McArthur Court Arena, both of which are located on the University of Oregon's campus.

Figure 2 - 13

Event Venues - Eugene, OR*		
Venue	Type	Capacity
Matthew Knight Arena**	Arena	12,500
McArthur Court Arena**	Arena	9,000
Cuthbert Amphitheater	Amphitheatre	5,000
Silva Concert Hall	Auditorium/Theatre	2,448
McDonald Theatre	Auditorium/Theatre	1,300
The Jaqua Concert Hall	Auditorium/Theatre	800
The Shedd Institute	Auditorium/Theatre	800
Venue 252	Event Venue	770
Soreng Theatre	Auditorium/Theatre	496
Recital Hall	Auditorium/Theatre	200
Veteran's Memorial Building	Auditorium/Theatre	-

\* Located within 25 miles of Eugene; Excluding LEC

\*\* Located at University of Oregon

Source: Pollstar, Relevant Facilities, Johnson Consulting

In recent years, contemplation has been given to a new convention center in both Eugene and the adjoining City of Springfield. At this time, neither City has committed to a specific project or site. It is our opinion that Eugene’s downtown area has a more established, and expanding, hotel inventory and other necessary amenities to support a new convention center than Springfield’s.

### OBSERVATIONS

Lane County has many of the key demographic and socioeconomic characteristics necessary to provide ongoing support for facilities at the LEC, including a significant regional population to draw from. The LEC is the largest event venue in the Eugene and Springfield markets, with the preponderance of other venues being hotel meeting spaces or University of Oregon facilities, all of which are oriented to slightly different target markets. This further supports the unique role that the LEC plays, and should continue to play, in the local and regional communities.

Given the synergistic opportunities that exist with the existing inventory of meeting and event spaces on the LEC campus and proximity to the downtown core, the LEC could be contemplated as the location for a new convention center in the local market. This would necessitate the addition of an onsite hotel, which should be subject to a separate feasibility study, but is desired by a significant cohort of users of the LEC, as described later in this report.

# COMPARABLE FACILITIES ANALYSIS

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## COMPARABLE FACILITIES ANALYSIS

In order to understand the market opportunity for potential improvements to the LEC, this section presents summarized case study profiles of a set of comparable fairgrounds and event centers in the Pacific Northwest (Note: Detailed case study profiles are included in Appendix A to this report). The size and characteristics of these facilities, rental rates, and demand and financial performance data provide insight into the general parameters within which an improved LEC would be expected to operate.

### CASE STUDY PROFILES

The case study profiles presented below include a mix of traditional fairgrounds, as well as aspirational expo/ convention centers in the region. These facilities are not necessarily direct competitors with the LEC but as stated above provide insight into the parameters within which an improved LEC could be expected to operate. Figure 3 - 1 provides a summary of key market attributes related to each of the identified facilities. As shown, the LEC's primary market, as defined by a 1-hour drive time radius, ranks among the lowest with respect to median household income (9<sup>th</sup> out of 10) and entertainment spend (9<sup>th</sup>), and also has a relatively small population (7<sup>th</sup>) with a high median age (8<sup>th</sup>) compared to the peer set. Among the identified markets, the LEC's surrounding market characteristics are most similar to those of the HAPO Center in Pasco, WA, and the Deschutes County Fairgrounds and Expo Center in Redmond, OR.

Key locational attributes include:

- The proximate inventory of hotel guest rooms to the LEC (as defined as a 1-mile radius) is large (818 guest rooms) relative to the peer set, and trails only the Sacramento Convention Center (2,884 guest rooms) and the Portland Expo Center (1,365 guest rooms). The LEC's large hotel inventory likely reflects its proximity to the University of Oregon and to downtown Eugene, although as previously discussed, there are very few hotels in immediate proximity of the LEC (the closest hotel is 0.6 miles away).
- The closest major international airport is the Portland International Airport, which also serves many of the other comparable markets in the matrix. The annual passenger volume of the Portland and Seattle-Tacoma airports combined is just under 70.0 million passengers.
- The LEC ranks among the smallest in the comparable set with regards to the largest amount of contiguous exhibit space but is among the middle of the set with respect to total Fair attendance, revenues, expenses and net operating income.

Figure 3 - 1

Key Market Characteristics - Comparable Facilities										
Metric	Lane Events Center	Fairgrounds						Convention and Expo Centers		
		Douglas County Fairgrounds	Washington County Fair Complex	Clark County Event Center	Deshutes County Fairgrounds Expo Center	Washington State Fair and Event Center	HAPO Center	Portland Expo Center	Sacramento Convention Center	Fresno Convention and Entertainment Center
Location	Eugene, OR	Roseburg, OR	Hillsboro, OR	Ridgefield, WA	Redmond, OR	Payallup, WA	Pasco, WA	Portland, OR	Sacramento, CA	Fresno, CA
<b>Demographic Characteristics (2018) 1-Hour Drive Time Radius</b>										
Population	550,975	124,764	2,244,835	2,419,398	234,651	2,731,098	437,953	2,528,861	3,213,732	1,626,286
Rank	7	10	5	4	9	2	8	3	1	6
Median Age	38.7	47.1	38	38.3	42.8	38.1	33.3	38.2	36.2	31.6
Rank	3	1	7	4	2	6	9	5	8	10
Median Household Income	\$52,407	\$49,834	\$73,971	\$74,311	\$60,904	\$79,442	\$59,382	\$74,236	\$67,672	\$52,505
Rank	9	10	4	2	6	1	7	3	5	8
Entertainment Spending (per capita)*	\$181.95	\$156.30	\$258.10	\$257.06	\$199.09	\$285.08	\$207.45	\$256.57	\$244.07	\$194.31
Rank	9	10	2	3	7	1	6	4	5	8
<b>Location Attributes</b>										
Major International Airport	Portland	Portland	Portland	Portland	Portland	Seattle Tacoma	Portland	Portland	Sacramento	Fresno
Annual Airlift # Passengers (Million)	19.8	19.8	19.8	19.8	19.8	49.8	19.8	19.8	12.1	1.8
Rank	2	2	2	2	2	1	2	2	9	10
Hotels < 1 Mile (# Properties)	14	3	1	0	5	4	3	9	18	6
Hotel Guest Rooms < 1 Mile	818	192	118	0	378	359	270	1,365	2,884	777
Rank	3	8	9	10	5	6	7	2	1	4
CVB	Travel Lane County	Visit Roseburg	Hillsboro Chamber of Commerce	Visit Vancouver	Redmond Chamber of Commerce	Travel Tacoma	Visit Tri-Cities	Travel Portland	Visit Sacramento	Visit Fresno County
<b>Facility Attributes</b>										
Largest Exhibit Space (SF)	37,000	28,000	39,300	97,200	80,000	84,972	39,000	324,000	137,500	66,371
Rank	9	10	7	3	5	4	8	1	2	6
Annual Fair Attendance	110,000	-	110,000	270,000	260,000	1,000,000	-	-	-	-
Rank	4	-	4	2	3	1	-	-	-	-
Revenues (\$M - Most Recent Year)	\$2.8	\$1.9	-	-	\$5.1	-	\$2.4	\$6.4	-	\$3.5
Rank	4	6	-	-	2	-	5	1	-	3
Expenses (\$M - Most Recent Year)	\$3.7	\$2.0	-	\$4.3	\$6.1	-	\$2.5	\$6.2	\$28.8	\$4.1
Rank	6	8	-	4	3	-	7	2	1	5
Net Operating Income (Loss)	(\$0.8)	(\$0.05)	(\$1.8)	\$0.2	(\$1.0)	-	(\$0.1)	\$0.2	-	(\$0.5)
Rank	6	3	8	1	7	-	4	2	-	5

\* Includes annual average spending on tickets to theater/ operas/ concerts; tickets to movies/ museums/ parks; and admission to sporting events.  
 Source: Relevant Facilities, Ersi BAO, STR, Johnson Consulting

## FAIRGROUNDS AND EXPO CENTERS

### DOUGLAS COUNTY FAIRGROUNDS COMPLEX ROSEBURG, OR

**LOCATION:** The Douglas County Fairgrounds Complex (DCFC) is located between Interstate Highway 5 (Pacific Highway) and the South Umpqua River, approximately 74 miles south of Eugene, OR. The 74-acre Complex is home to the 5-day annual Douglas County Fair.

**OWNERSHIP/ MANAGEMENT:** The DCFC is owned and operated by Douglas County. Stewardship is provided by a 5-member Fair Board, which comprises one representative from the agricultural industry, one from the timber industry, one from the business community and two at-large members appointed by the Board of Commissioners.

**FACILITIES:** The DCFC comprises 85,000 SF of rentable exhibit and meeting space, 3 arenas, 2 barns, and a variety of outdoor spaces, supported by parking and RV parking. Figure 3 - 2 summarizes facilities at the DCFC.

Figure 3 - 2

Douglas County Fairgrounds Complex Facilities and Capacity			
Building	Size (SF)	Capacity (# of Persons)	
		Classroom	Banquet
<b>Conference Building</b>	<b>13,475</b>	902	664
Cascade Hall*	4,605	310	176
Pacific Hall	4,322	287	168
Umpqua Hall	4,547	305	176
<b>Dormitory</b>	<b>2,400</b>	125	70
<b>Douglas Hall</b>	<b>24,336</b>	2,500	1,500
<b>Exhibit Building*</b>	<b>28,000</b>	2,500	1,000
<b>Flora Building</b>	<b>3,600</b>	240	145
<b>Total Exhibit and Meeting Space</b>	<b>85,285</b>		
<b>Garden Park</b>			
<b>Grandstands</b>	-	5,000	-
<b>Arenas</b>			
Pavilion Lithia Arena	20,000	400	-
River Arena	26,000	600	-
Outdoor Arena	25,200	900	-
<b>RV Park</b>		50 total spaces	
<b>Horse Stalls</b>		120 total stalls	
<b>Umpqua Park and Amphitheatre</b>			

\* Divisible into 2 smaller sections

Source: DCFC, Johnson Consulting

**RENTAL RATES:** Figure 3 - 3 details the rental rates for the DCFC.

**Figure 3 - 3**

<b>Douglas County Fairgrounds Complex Rental Rates</b>			
	<b>Size (SF)</b>	<b>Rental Fee (per Day)</b>	<b>Move In/ Move Out Rental Fee</b>
<b>Conference Building</b>	13,475	\$1,450	\$400
Cascade Hall	4,605	500	175
Cascade East Hall	1,943	350	175
Cascade West Hall	2,661	350	175
Pacific Hall	4,322	500	175
Umpqua Hall	4,547	500	175
Dormitory	2,400	160	65
Douglas Hall	24,336	1,000	300
<b>Exhibit Building (Full)</b>	28,000	\$1,150	\$300
Exhibit Building (Half)	12,000	750	175
Floral Building	3,600	400	100
Garden Park		160	
<b>Grandstand</b>	5,000 (capacity)	\$1,800	\$515
<b>Arenas (Equestrian Events)</b>		\$370	\$150
Arenas (Special Events)		550	
<b>Horse Stalls</b>		\$25/night, \$120/month	
<b>RV Park</b>		\$25.50/night	
<b>Umpqua Park Amphitheater*</b>		\$1,840	

*\*Daily rate or 10% of ticket sales, whichever is greater. The facility also charges 25% on novelties*

Source: DCFC, Johnson Consulting

**DEMAND AND FINANCIALS:** Anecdotal information from Management of the DCFC indicates that the Complex is booked for 1,400-1,500 use days, annually. The FY2018-19 operating budget for the DCFC is \$2.2 million, up slightly from the FY2017-18 operating budget of \$2.1 million.

**OBSERVATIONS:** The DCFC provides an example of a highly utilized fairgrounds located in relatively close proximity to the LEC, further removed from downtown but with convenient freeway access. The DCFC operates with a similar budget to the LEC despite being smaller, in terms of total acreage and the size of indoor space. The Amphitheater and RV Park at the DCFC provide key points of difference. The location of the Amphitheater along the South Umpqua River frontage of the site creates a highly attractive setting. Consideration could be given to ways to capitalize on the LEC's frontage to the Amazon Creek and creating attractive outdoor environments for events and recreational use.



**WASHINGTON COUNTY FAIR COMPLEX HILLSBORO, OR**

**LOCATION:** The Washington County Fair Complex (WCFC) is located in Hillsboro, OR, to the south of Highway 26, approximately 20 minutes to the west of downtown Portland.

**OWNERSHIP/ MANAGEMENT:** The WCFC is owned and operated Washington County. During the annual County Fair, the Fair Board, which is appointed by the Board of Commissioners, oversees the use of the Fairgrounds and provides fiscal and operational oversight of the production of the Fair.

**FACILITIES:** Current facilities at the 100-acre WCFC include a 39,000 SF expo hall, 16,000 SF of meeting space, and a 3,500 SF covered outdoor event space. The new Event Center will comprise a 39,200 SF exhibit hall and 13,400 SF of meeting space, supplemented by 10,800 SF of outdoor event space. Figure 3 - 4 shows current and future facilities at the WCFC.

**Figure 3 - 4**

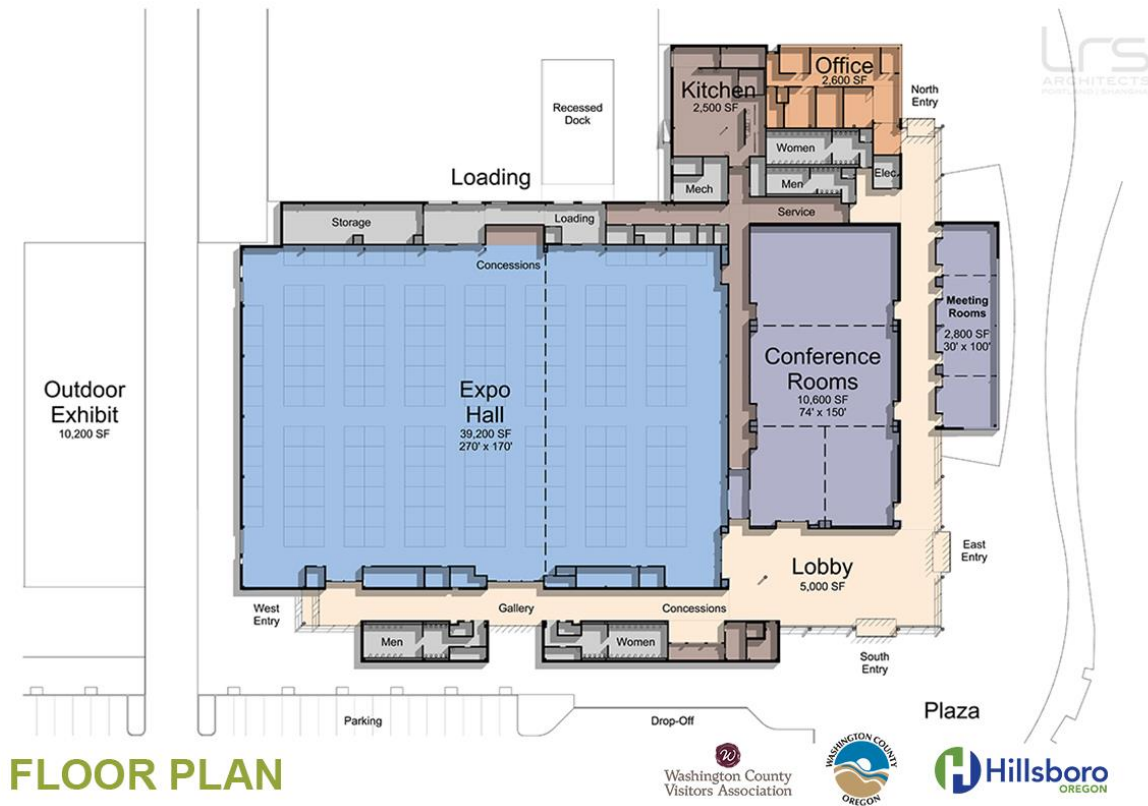
Washington County Fairgrounds Complex Facilities	
Building	Size (SF)
Event Center*	52,600
Expo Hall	39,300
Expo Hall West	24,770
Expo Hall East	14,530
Conference Room	10,225
Meeting Rooms (3)	5,785
Cloverleaf Building	3,200
Large Covered Show Ring	60x120ft
Small Show Ring	40x60ft
Barns	6 total barns
Friendship Square (Covered Outdoor)	3,534

\*Event Center is slated to open in Mid-2020

Source: WCFC, Johnson Consulting

Figure 3 - 5 shows the proposed floorplan layout of the proposed Event Center.

Figure 3 - 5



Adjacent to the WCFC is the Fairgrounds Sports Complex. The 19.6-acre site includes 5 baseball fields (3 lighted), playground equipment, restrooms, a concession building and parking. The Sports Complex is owned and operated by the City of Hillsboro.

**RENTAL RATES:** Rental rates for Friendship Square (covered outdoor area) range from \$885 per day (for 100 or less attendees) to \$1,360 per day (501-600 attendees).

**DEMAND AND FINANCIALS:** The WCFC is home to the annual Washington County Fair, which runs for 4 days in July and attracts, on average, 110,000 persons annually. In FY 2018-19, the WCFC has an operating budget of \$4.7 million. The \$52 million Event Center is being funded through the County's share of lodging taxes and State Gain Share payments, along with \$8 million in City lodging taxes and \$1 million from the Washington County Visitors Association.

**OBSERVATIONS:** The WCFC provides an example of a highly utilized facility that achieves substantial operating revenues from both the annual County Fair and year-round operations. Recognizing a need to provide additional, modern facilities to capitalize on growing demand, the new Event Center that is currently under construction will add a substantial amount of meeting and event space to the WCFC and will provide a significant draw, particularly for consumer and public shows, as well as conventions and meetings.

**CLARK COUNTY EVENT CENTER AT THE FAIRGROUNDS RIDGEFIELD, WA**

**LOCATION:** The Clark County Event Center (CCEC) and Fairgrounds is located in Ridgefield, WA, just off Interstate Highway 5, approximately 20 minutes (drive time) to the north of downtown Portland.

**OWNERSHIP/ MANAGEMENT:** The CCEC is owned by Clark County and operated by the Fairgrounds Site Management Group (FSMG), a private non-profit organization, except during the annual County Fair which operates under the direction of the Clark County Fair Association.

**FACILITIES:** The CCEC comprises 97,200 SF of contiguous exhibit space, along with 2 separate halls of 24,000 SF and 18,000 SF. Additional facilities include an 8,775-seat Grandstand and a 225-seat Equestrian Arena. Figure 3 - 6 provides a summary of facilities at the CCEC.

**Figure 3 - 6**

Clark County Event Center at the Fairgrounds Facilities and Capacity			
Building	Size (SF)	Capacity (# of Persons)	
		Classroom	Banquet
<b>Exhibit Hall ABC</b>	97,200	10,894	3,460
Exhibit Hall A	32,400	3,502	1,140
Exhibit Hall B	21,600	2,520	740
Exhibit Hall C	43,200	4,872	1,580
<b>South Hall One</b>	24,000	2,286	-
<b>South Hall Three</b>	18,000	1,888	-
<b>Total Exhibit and Meeting Space</b>	139,200		
<b>Grandstand</b>	45,000	8,775	-
<b>Barns</b>		160 total stables	
<b>Arenas</b>			
Dr. Jack Giesy Equestrian Arena	36,400	225	-

Source: CCEC, Cvent, Johnson Consulting

**RENTAL RATES:** Figure 3 - 7 provides a summary of rental rates for facilities at the CCEC.

**Figure 3 - 7**

<b>Clark County Event Center Rental Rates</b>		
	<b>Size (SF)</b>	<b>Rental Fee (per Day)</b>
<b>Exhibition Hall</b>		
Hall A	32,400	\$2,250
Hall B	21,600	1,700
Hall C	43,200	3,000
Hall AB	54,000	3,450
Hall BC	64,800	4,200
Hall ABC	97,200	6,200
<b>Equestrian Arena</b>		
Equestrian Events	25,200	\$750
Non-Equestrian Events		850
Charged set-up day*		150
<b>Commercial Exhibit Areas</b>		
South Hall 1	24,000	\$850
South Hall 2	8,000	850
South Hall 2**	8,000	425
South Hall 3	18,000	750
<b>Grandstand</b>		
Grandstand	45,000	\$4,000
Grandstand Plaza	100' x 150'	Included

\*if requested or if Arena is used on included set up day

\*\*South Hall 2 rental price when rented in addition to South Hall 1

Source: Johnson Consulting, Clark County Event Center

**DEMAND AND FINANCIALS:** The annual Clark County Fair runs for 10 days in August and attracts, on average, 270,000 visitors. In 2019, there are 161 event days scheduled at the CCEC, including the Fair, of which the preponderance of event days relate to Animal Shows (28.6 percent), predominantly canine events, and Equestrian Events (28.0 percent), as well as Consumer Shows/ Public Events (25.5 percent). The 2019 operating budget of the CCEC is \$4.3 million, down from \$8.9 million in 2018.

**OBSERVATIONS:** The CCEC offers considerably more indoor meeting event space than the LEC and is able to capitalize on its proximity to downtown Portland, particularly with respect to attracting visitors to the annual County Fair. The CCEC operates with a much larger budget than the LEC and reports an annual net operating profit, without subsidy, highlighting the financial strength of operations.

**DESCHUTES COUNTY FAIRGROUNDS & EXPO CENTER REDMOND, OR**

**LOCATION:** The Deschutes County Fair and Expo Center (DCFEC) is located in Redmond in Central Oregon, which is a tri-county area defined as Deschutes, Jefferson and Crook counties. The site is located off Highway 97, approximately 15 minutes (drive time) from Bend, one of Oregon’s largest cities.

**OWNERSHIP/ MANAGEMENT:** The DCFEC is owned and operated by Deschutes County. Stewardship is provided by a 7-member Board of Directors.

**FACILITIES:** Figure 3 - 8 summarizes event facilities at the DCFEC, which include a mix of exhibit and event space, along with covered livestock and equestrian arenas. The broader 320-acre site also includes 400 horse stalls and a 105-space RV park.

**Figure 3 - 8**

<b>Deschutes County Fairgrounds &amp; Expo Center Facilities and Capacity</b>		
<b>Building</b>	<b>Size (SF)</b>	<b>Capacity (# of Persons)</b>
<b>First Interstate Bank Center</b>	80,000	
Arena Floor	40,000	7,800
<b>High Desert Activity Center</b>	12,684	1,408
<b>Three Sisters Conference Center</b>	33,736	
North Sister	9,416	1,045
Middle Sister	14,904	1,654
South Sister	9,416	1,045
<b>Outdoor Arenas</b>		
Juniper Arena		3,500
Sagebrush Arena		1,500
<b>Barns</b>		400 stalls (75 permanent)
Beef Barn	28,000	
Dairy Barn	16,000	
Horse Barn	24,000	
Sheep Barn	13,000	
<b>RV Park</b>		105 spaces
<b>Outdoor Event Space</b>	3.65 acres	Landsaped

Source: DCFEC, Johnson Consulting

**RENTAL RATES:** Figure 3 - 9 summarizes the rental rates for facilities at the DCFEC. The entire complex can be rented for \$17,500 per day.

Figure 3 - 9

Deschutes County Fairgrounds and Expo Center Rental Rates		
	Size (SF)	Rental Fee (per Day)
<b>Entire Fairgrounds</b>		\$17,500
<b>First Interstate Bank Center</b>	40,000	\$3,150
<b>Three Sisters Conference Center</b>	33,736	\$3,050
South Sister	9,416	1,700
Middle Sister	14,904	2,100
North Sister	9,416	1,500
<b>Arenas</b>		
Hooker Creek Arena	17,750	\$600
Juniper Arena	51,625	840
Sagebrush Arena	(used for warmup)	740
<b>High Desert Activity Center</b>	12,684	\$1,260
<b>Meeting Space</b>		
Meeting Room (Smallest)	456	\$80
Meeting Room (Largest)	1,482	250
<b>Barns</b>		
Beef Barn	28,000	\$580
Dairy Barn	16,000	480
Horse Barn	24,000	1,155
Sheep Barn	13,000	580

Source: DCFEC, Johnson Consulting

**DEMAND AND FINANCIALS:** Anecdotal information from management of the DCFEC indicates that in addition to the 5-day annual Fair in July/ August, which attracts on average 260,000 visitors, the DCFEC records 400 event days annually. The DCFEC has a budget of \$2.1 million for year-round operations, \$1.2 million for the annual County Fair, \$837,600 for the RV Park, and \$1.6 million for capital reserves.

Operations are supported by a 1.0 percent increase in lodging tax (effective 2014), of which 70 percent is allocated to marketing of the DCFEC and 30 percent is for general purposes (in 2019 the 30 percent is programmed as a contribution to the DCFEC reserve fund). In 2019, the 1 percent allocation amounted to \$907,500.

**OBSERVATIONS:** The DCFEC has a substantial inventory of land and a variety of facilities that help to generate year-round revenues of approximately 1.5 times the annual County Fair revenue. The campus is removed from downtown but easily accessed from the broader area, which includes a significant population base in Bend, OR.

**WASHINGTON STATE FAIR AND EVENT CENTER PAYALLUP, WA**

**LOCATION:** Home to the Washington State Fair, the Washington State Fair and Event Center (WSFEC) is located just south of the Puyallup River, off Interstate Highway 5 and approximately 135 miles south of Seattle and 10 miles east of Tacoma.

**OWNERSHIP/ MANAGEMENT:** The WSFEC is owned and operated by the Washington State Fair, a private, not-for-profit 501(c)(3) corporation. A 12-member Board of Directors provides stewardship of the WSFEC and the Washington State Fair Foundation financially supports scholarship and educational programs associated with the Fair.

**FACILITIES:** Figure 3 - 10 summarizes event facilities at the 169-acre WSFEC, the largest of which is the 85,000 square foot Mattress Firm Showplex.

**Figure 3 - 10**

Washington State Fair and Event Center Facilities and Capacity		
Building	Size (SF)	Capacity (# of Persons)
<b>Mattress Firm Showplex</b>	84,972	3,400 (400 booth spaces)
East Bay	23,300	
West Bay	23,400	
Center Bay	38,272	
<b>Pavilion</b>	46,200	800
1st Floor	22,700	
2nd Floor	23,500	
<b>Expo Hall</b>	20,000	800
<b>Agriplex</b>	22,263	800
<b>Barn Complex</b>	23,260	
Draft Horse Barn		23 box stalls
4-H Horse Barns		125 box stalls
Poultry/Rabbit Barn		55 box stalls
<b>Centennial Tent</b>	13,440	
<b>Fair Farm</b>	5,265	250
<b>Meeting Rooms (7)</b>	27,453	
<b>Total Exhibit and Meeting Space</b>	242,853	
<b>Grandstands</b>		10,368
<b>Arenas</b>		
W.H. Paulhamus Arena	25,000	1,961
Tractor Supply Arena	7,242	
Show Arena	18,686	1,000

Source: WSFEC, Johnson Consulting

**RENTAL RATES:** Figure 3 - 11 provides current rental rates for facilities at the WSFC.



**Figure 3 - 11**

<b>Washington State Fair and Events Center                      Rental Rates</b>		
	<b>Size (SF)</b>	<b>Rental Fee                      (per Day)</b>
<b>Buildings</b>		
Mattress Firm ShowPlex	84,972	\$7,600
Conference Center	12,768	2,100
Heritage Room	2,880	550
Founders Room	2,880	550
Pioneer Room	2,880	550
Agriplex	22,263	2,650
Expo Hall	20,000	2,300
Fair Farm	5,265	1,800
Fair View Club	2,800	800
Pavilion	46,200	3,850
<b>Arenas</b>		
Paulhamus Arena	25,000	\$2,000
<b>Meeting Space</b>		
Meeting Rooms (Building A, Floor 1)	4,985	\$950
Meeting Rooms (Building A, Floor 2)	4,075	1,000
Meeting Rooms (Building B, Floor 1)	3,750	950
Meeting Rooms (Building B, Floor 2)	1,875	550
<b>Barns</b>		
Beef Barn	13,448	\$1,000
Draft Horse Barn	9,209	750
4-H Horse Barn	13,468	750
Rodeo Barn		850
<b>Outdoor Area</b>		
SillyVille (Base)		\$2,500

Source: Washington State Fair and Event Center, Johnson Consulting

**DEMAND AND FINANCIALS:** The WSFEC is home to the annual Washington State Fair, which will run for 22 days in 2020, opening on Labor Day weekend. This represents an extended Fair from 2019 (20 days) and historically the Fair has run for 17 days and attracted between 1.0 and 1.2 million visitors. The WSFEC also hosts a 4-day Spring Fair annually in April. No revenue and expense data was made available by management.

**OBSERVATIONS:** The WSFEC provides an example of a highly successful fairgrounds owned and operated by a not-for-profit organization. Proximity to Seattle and Tacoma, as well as ease of access via public transportation, are advantageous for the WSFEC. Consideration could be given to improving public transportation options to the LEC.

**HAPO CENTER PASCO, WA**

**LOCATION:** The HAPO Center is located in Pasco, in southeastern Washington, just off Interstate High 182. Pasco, along with the cities of Kennewick and Richland, collectively comprise the “Tri-Cities” region. All 3 cities border the Columbia River and comprise a significant population base to support the HAPO Center.

**OWNERSHIP/ MANAGEMENT:** The HAPO Center (formerly the TRAC Center), is owned and operated by Franklin County. A 7-member Advisory Board provides stewardship.

**FACILITIES:** The HAPO Center, which opened in 1995, comprises a 39,000 SF exposition hall, 3 meeting rooms totaling 5,155 square feet of space, and the 5,000-seat Ranch and Home Arena. Figure 3 - 12 summarizes the event space at the HAPO Center. The Franklin County RV Park is also located adjacent to the HAPO Center.

**Figure 3 - 12**

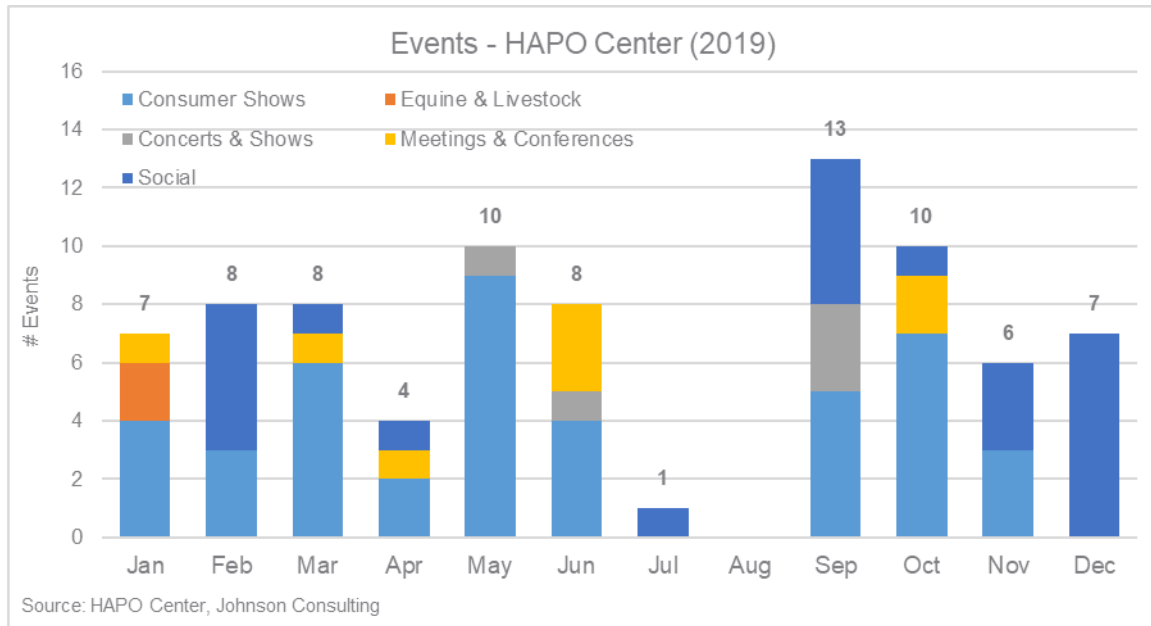
HAPO Center Facilities and Capacity			
Building	Size (SF)	Capacity (# of Persons)	
		Classroom	Banquet
Exposition Hall	39,000	2,950	1,800
<b>Meeting Rooms</b>	<b>5,155</b>		
Board Room	713		
Room #2	1,960	160	80
Room #4	2,482	200	140
<b>Total Exhibit and Meeting Space</b>	<b>44,155</b>		
<b>Arenas</b>			
Ranch & Home Arena	43,472	5,000	

Source: HAPO Center, Johnson Consulting

**RENTAL RATES:** Rental Rates were not made available by management.

**DEMAND AND FINANCIALS:** In 2019, the HAPO Center reported 82 booked events, the preponderance of which (52.4 percent) were Consumer/ Public Shows, followed by Social/ Private Events (29.3 percent). Figure 3 - 13 provides a breakdown of events by type and by month in 2019, highlighting a slight peak in events in September-October and May-June.

Figure 3 - 13



The HAPO Center’s operating budget has averaged \$2.5 million over the past several years. In March 2019, the Franklin County Commission signed a 10-year naming rights deal with Pasco-based HAPO Community Credit Union for \$1.0 million.

**OBSERVATIONS:** Similarly to the LEC, the HAPO Center is located on the edge of downtown. The facility benefits from an onsite 85-room Holiday Inn Express and Suites Pasco, which offers an additional 9,843 SF of meeting space in 8 breakout rooms, and the adjoining RV Park. From a financial perspective, the HAPO Center operates with a similar budget to the LEC and also benefits from the naming rights deal. This could be considered at the LEC as an additional revenue stream, although a naming rights partner would desire newer, more modern facilities.

## CONVENTION AND EXPO CENTERS

### PORTLAND EXPO CENTER PORTLAND, OR

**LOCATION:** The Portland Expo Center (PEC) is located just off Interstate Highway 5 between downtown Portland and Vancouver, WA, in close proximity to the Portland International Airport.

**OWNERSHIP / MANAGEMENT:** The PEC is owned and operated by Metro regional government, which owns and/or operates several other venues including the Oregon Convention Center, Oregon Zoo, Portland’s Center for the Arts, and a handful of parks and cemeteries throughout the state. The Metro is run by seven councilors, who each represent their own district. The Metropolitan Exposition Recreation Commission manages the facility.

**FACILITIES:** The 53-acre PEC campus comprises approximately 329,000 SF of meeting and event space, the preponderance of which (324,000 SF) is exhibit space. Figure 3 - 14 shows the summary of meeting and event space at the PEC.

Figure 3 - 14

Portland Expo Center Summary of Exhibit and Meeting Space					
	Size (SF)		Capacity (# of Persons)		
	Individual (Smallest)	Combined (Largest)	Theater	Classroom	Banquet
<b>Exhibit Hall ABCDE</b>	<b>324,000</b>				
Hall A	48,000		2,726	1,680	1,860
Hall B	36,000		2,700	1,656	1,440
Hall C	60,000		4,736	3,000	2,880
Hall D*	72,000		7,000	3,208	4,620
Hall E**	108,000		9,000	5,280	6,240
<b>Meeting Rooms</b>					
Number of Rooms	10	5			
Smallest Room	204		25	12	12
Largest Room		2,380	300	156	160
<b>Subtotal Meeting Room SF</b>		<b>4,903</b>			
<b>Total Exhibit and Meeting Space</b>		<b>328,903</b>			

\* Divisible into 2 sections of 36,000 SF each

\*\* Divisible into 2 sections of 54,000 SF each

Source: Portland Expo Center, Johnson Consulting

**RENTAL RATES:** Rental rates for facilities at the PEC vary based on whether the event is ticketed or non-ticketed and include 3 move in/ move out days free of charge, when available. Any additional move in/ move out days are charged at half the daily rent rate. Figure 3 - 15 shows rental rates at the PEC.

**Figure 3 - 15**

Portland Expo Center Rental Rates			
	Size (SF)	Rental Fee (per Day) Ticketed	Rental Fee (per Day) Non-Ticketed
<b>Exhibit Halls</b>			
Hall A	48,000	\$3,050	\$3,740
Hall B	36,000	2,410	2,790
Hall C	60,000	3,965	4,700
Hall D	72,000	6,660	7,700
Hall D1	36,000	3,330	3,850
Hall D2	36,000	3,330	3,850
Hall E	108,000	9,570	11,280
Hall E1	54,000	4,785	5,640
Hall E2	54,000	4,785	5,640
<b>Combined Exhibit Halls</b>			
Hall AB	84,000	\$5,460	\$6,530
Hall AC	108,000	7,015	8,440
Hall ABC	144,000	9,425	11,230
Hall DE	184,500	16,630	19,380
Hall ABCD	216,000	16,485	18,930
Hall CDE	244,500	20,595	24,080
Hall ABCDE	328,500	26,055	30,610
<b>Meeting Space</b>			
Meeting Rooms	204-2,352	\$150 (Smallest)	\$720 (Largest)

Source: Johnson Consulting, Portland Expo Center

**DEMAND AND FINANCIALS:** In 2018 the PEC hosted 114 events and attracted 392,760 attendees. Between 2010 and 2018, the total number of events held at the PEC increased at an average annual rate of 1.9 percent, while total attendance contracted at an average annual rate of (0.9) percent. The preponderance of events (52.7 percent) are typically Consumer Shows/ Public Events, with the next highest proportion (23.7 percent) being Meetings. In 2018 the PEC reported a net operating income of \$240,905, down considerably from a net profit of \$408,914 in 2017.

**OBSERVATIONS:** Although the PEC is considerably larger than the exhibit space offerings at the LEC, it provides an example of a highly divisible space that is flexible in design and allows for the creation of ballroom space. The PEC benefits from its proximity to downtown Portland, as well as the fact that it is a location for a Park and Ride hub because the area’s light rail system terminates at the PEC.

**SACRAMENTO CONVENTION CENTER SACRAMENTO, CA**

**LOCATION:** Situated in downtown Sacramento, south of the American River and east of the Sacramento River, the Sacramento Convention Center (SCC) opened in 1974, was expanded in 1996 and is currently closed for a \$180 million renovation and expansion that will be completed in November 2020.

**OWNERSHIP/ MANAGEMENT:** The SCC is owned and operated by the City of Sacramento. It is understood that private management is being contemplated as part of the current renovation and expansion.

**FACILITIES:** The SCC previously offered 137,500 SF of exhibit space, divisible into 5 sections, along with a 25,000 SF ballroom and a 9,500 SF junior ballroom. These spaces were supplemented by approximately 12,100 SF of meeting space, the 2,400-seat Community Center Theater, the 272-seat Jean Runyon Little Theater, and the 3,849 seat Memorial Auditorium.

The current expansion involves replacing the western half of the facility to add 22,494 SF of exhibit space, meeting rooms, a 40,000 SF ballroom, a kitchen, and lobby. The eastern side of the existing building will be renovated to add meeting rooms, a new lobby and upgrade the existing ballroom, pre-function and meeting space. A 15,300 SF outdoor activities plaza will create flexible outdoor space for a variety of events. Upon completion, the new SCC will offer more than 240,000 SF of leasable space, including 160,000 SF of exhibit space, 37 breakout rooms, and 79,100 SF of meeting space.

**RENTAL RATES:** Figure 3 - 16 summarizes 2018 rental rates at the SCC. It is anticipated that rental rates will increase upon opening of the renovated and expanded facility.

**Figure 3 - 16**

Sacramento Convention Center Rental Rates (2018 - Prior to Expansion)		
	Size (SF)	Rental Fee (per Day)
<b>Exhibit Hall</b>		
Exhibit Hall A	37,745	\$7,925
Exhibit Hall B	34,050	7,150
Exhibit Hall C	32,871	6,905
Exhibit Hall D	54,843	11,515
<b>Ballroom</b>		
Ballroom A	39,224	\$14,540
Ballroom B	24,385	9,040
<b>Meeting Rooms (16)</b>		
Meeting Room (Smallest)	701	\$260
Meeting Room (Largest)	2,567	1,050

Source: Sacramento Convention Center, Johnson Consulting

**DEMAND AND FINANCIALS:** Pre-renovation demand at the SCC is deemed to have little relevance to likely future demand and is therefore not included in this case study profile. In 2018 the SCC had an operating budget of \$28.8 million. It is anticipated that this will increase upon re-opening.

**OBSERVATIONS:** While the SCC is well located in the State capital, with easy access via the established road and public transport networks, as well as proximity to Sacramento Airport, the County identified that its competitive position was continuing to decline as other cities invested in the hospitality, entertainment and retail through renovations and expansions to their main convention facilities. This justified the current expansion and renovation to the SCC and is an important consideration for all event facilities as they strive to remain current in their respective marketplaces.

**FRESNO CONVENTION AND EVENT CENTER FRESNO, CA**

**LOCATION:** Located in downtown Fresno, CA, in close proximity to Los Angeles, San Francisco and Yosemite National Park, the Fresno Convention and Event Center (FCEC) originally opened in 1966 and was expanded in 1981 and 1999.

**OWNERSHIP/ MANAGEMENT:** The FCEC is owned by the City of Fresno and managed by SMG, a private venue management company.

**FACILITIES:** Figure 3 - 17 summarizes meeting and event space at the FCEC.

**Figure 3 - 17**

<b>Fresno Convention and Entertainment Center Facilities</b>	
<b>Building</b>	<b>Size (SF)</b>
<b>Exhibit Hall (Combined)</b>	<b>66,371</b>
Exhibit Hall 1	43,004
Exhibit Hall 2	10,769
Exhibit Hall 3	12,598
<b>Valdez Hall</b>	<b>32,000</b>
<b>Valdez Hall Meeting Rooms (14)</b>	<b>14,360</b>
<b>Exhibit Hall Meeting Rooms (20)</b>	<b>13,040</b>
<b>Total Exhibit and Meeting Space</b>	<b>125,771</b>
Sayoran Theatre	
<b>Arenas</b>	
Selland Arena	

Source: FCEC, Johnson Consulting

**RENTAL RATES:** No rental rate information was made available by management.



**DEMAND AND FINANCIALS:** No demand schedule was made available by management. The FCEC reported total direct event income of \$1.2 million in FY2018 and \$1.1 million in FY 2019, with total event income of \$2.8 million in FY2018 and \$3.6 million in FY2019. After accounting for indirect expenses, the FCEC reported net losses of (\$681,083) and (\$594,506) in FYE2018 and FYE2019, respectively.

**OBSERVATIONS:** The FCEC figures to continue being a competitive facility for meetings and events in the Fresno area. By offering approximately 127,000 square feet of meeting and event space, as well as a theater for smaller performances and an arena for larger performances, the FCEC provides event planners with a good foundation for most events. Its presence in a significant market such as Fresno is important, and its operating loss in the past two fiscal years is normal for such a facility. Like most convention centers, the FCEC benefits from being in the city, which generally entails high accessibility to retail and entertainment offerings. This can be an important amenity for event attendees.

## CONCLUSIONS

Each of the facilities included within the peer set were developed in response to a community's desire to generate significant benefits for local and regional economies. Many were also designed to produce an annual Fair and to stimulate year-round utilization and tourism, all while leveraging the strengths of their respective marketplaces. Although there is variation in the size, orientation, and role that each of these facilities play in their communities, most are firmly grounded in their mission to encourage agricultural education and advancement, and demonstrate how a fair operation can evolve into a year-round exhibition, equine/livestock and consumer show destination with the right facilities, leadership and support.

In general terms, many of the regional fairgrounds offer newer facilities and/ or more recently renovated facilities than the LEC and a number have invested in outdoor event venues, landscaping and other support amenities such as attractive RV campgrounds/ parks. Easy access, including public transport options, is also a key characteristic of many of the more successful fairgrounds and event venues. All of these enhancements help to attract year-round visitors to the fairgrounds.

# EXISTING CONDITIONS



## EXISTING CONDITIONS

This section presents a comprehensive review of operations at the Lane Events Center (LEC), as measured by key performance metrics including demand and revenues and expenses. Our analysis is based primarily upon data provided by LEC management for the last 5 years. An assessment of the physical conditions of buildings at the LEC, and the LEC campus overall, is also provided.

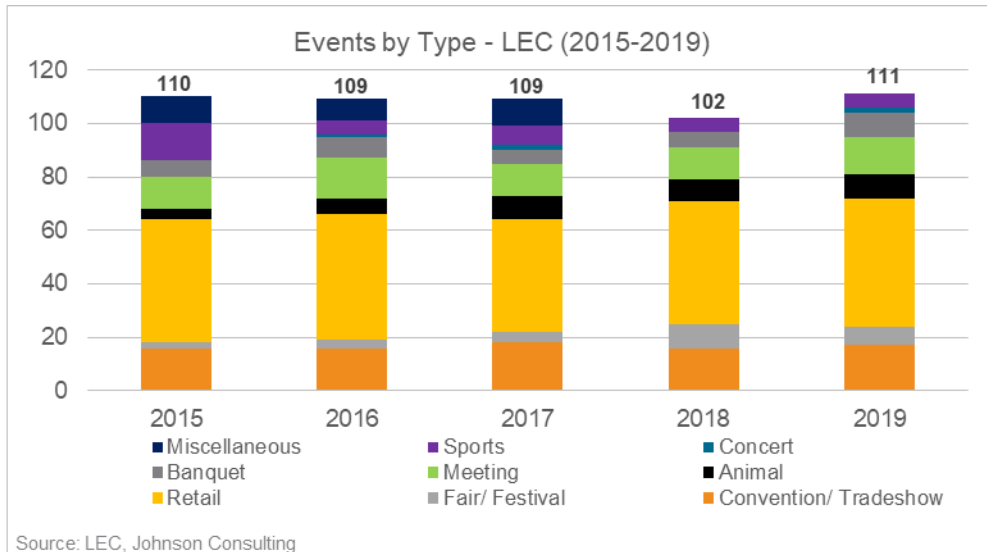
## DEMAND ASSESSMENT

It is noted that the following demand assessment reflects data maintained by LEC Management. The utilization figures, albeit robust, are understated as Management does not report utilization of the Ice Arena, which is operated by a 3<sup>rd</sup> party, nor use of the Expo Halls 4, 5 and 6 by 3 sporting groups annually from September through June (estimated 1,300 total utilization hours). These are the only buildings on the campus that are rented on an hourly basis, and as such, are not reflected in the daily building rental data reported by Management.

## FAIR AND NON-FAIR UTILIZATION

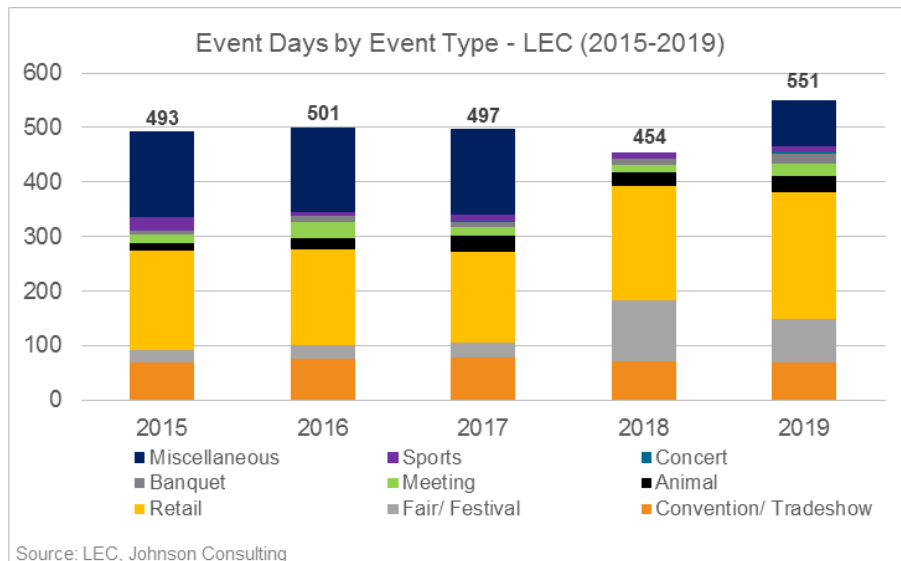
The Lane County Fair runs for 5 days (Wednesday through Sunday), on the 4<sup>th</sup> weekend of July. Attendance over the past several years has averaged 110,000 persons. Figure 4 - 1 shows total events (including the annual County Fair) held at the LEC since 2015, by event type as defined by Management of the LEC. As shown, there are currently (as of November) 111 events booked at the LEC during 2019, representing an increase over the number of events held at the LEC in 2018 (102 events) and exceeding the average number of events held annually between 2015 and 2018 (108 events per annum). Since 2015, the preponderance of events at the LEC have been Retail events (also known as business to consumer (“B to C”) events), including consumer and public shows, accounting for an average of 42.4 percent of total events, followed by Convention/ Tradeshows (15.3 percent) and Meetings (12.0 percent).

Figure 4 - 1



As the total number of events held at the LEC has grown since 2015, so too has the total number of event days (including the annual County Fair), increasing at an average annual rate of 2.8 percent and reaching 551 event days in 2019 (as at November), which represents a considerable increase of 21.4 percent over 2018 figures (454 event days). This increase has been driven primarily by growth in event days associated with Fairs/ Festivals and Banquets. Figure 4 - 2 shows total event days (including the annual County Fair) at the LEC since 2015, by event type as defined by Management of the LEC.

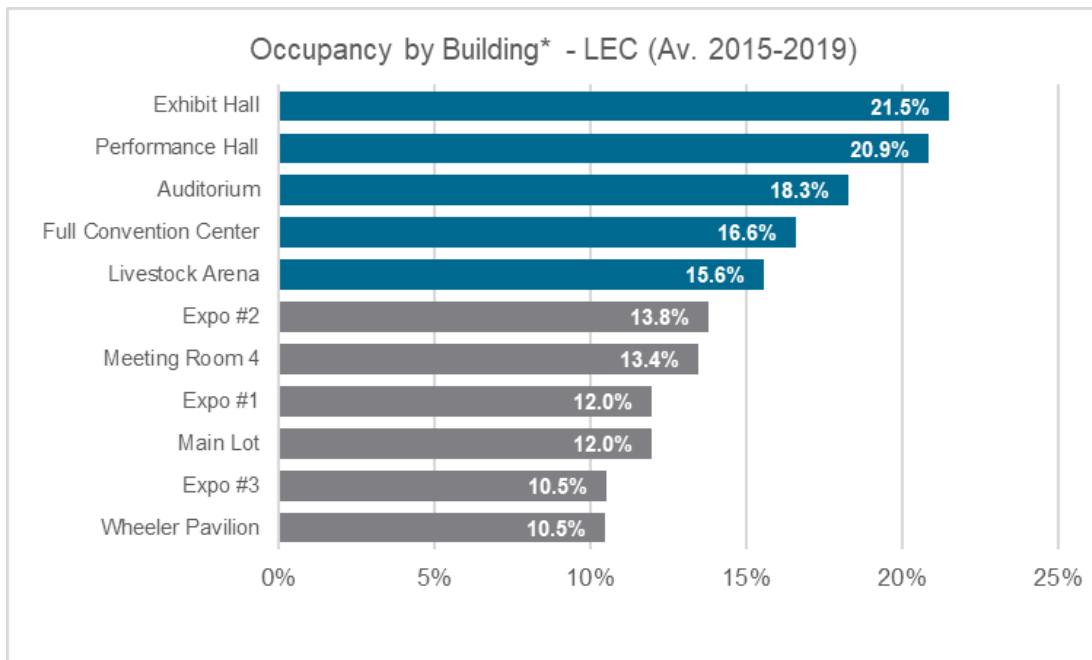
Figure 4 - 2



**NON-FAIR UTILIZATION – BY BUILDING**

Figure 4 - 3 provides a breakdown of non-Fair utilization and occupancy by building, averaged for the period of 2015-2019. Occupancy is calculated based upon total available days, excluding use for the annual County Fair (and preparation for the Fair), and assuming that all buildings can otherwise be rented regardless of weather/season (lack of heat or air conditioning). Only those facilities that reported an occupancy of greater than 10 percent are shown. It is noted that Expo Halls 4, 5 and 6, which are not shown in Figure 4 - 3, are utilized by 3 sporting groups annually from September through June (estimated 1,300 total utilization hours). These are the only buildings on the campus that are rented on an hourly basis, and as such, are not reflected in the daily building rental data reported by Management.

**Figure 4 - 3**



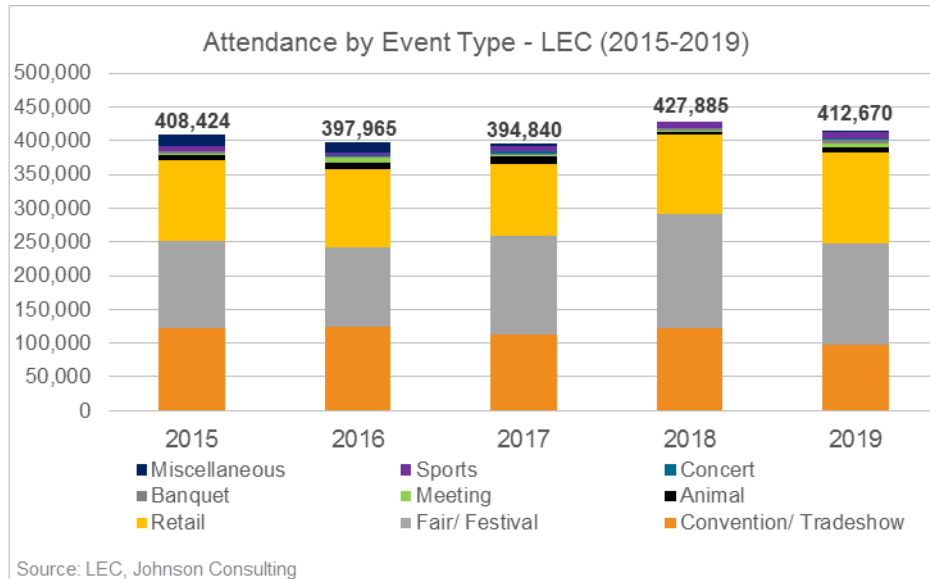
As shown, since 2015 the highest average occupancy has been reported at the Exhibit Hall (21.5 percent) and Performance Hall (20.9 percent), as well as the Auditorium (18.3 percent) and the Full Convention Center (16.6 percent), which includes the Exhibit Hall, Performance Hall, the Gleason Atrium and Meeting Rooms 1-4.

**ATTENDANCE**

Total attendance at the LEC (including the annual County Fair) is estimated to be 412,670 persons in 2019 (as at November). This represents a slight decrease from 2018 figures (427,885 attendees), but is higher than the average attendance reported between 2015 and 2018 (407,279 persons per annum). Lower attendance has been driven primarily by decreased attendance at Conventions/Tradeshows and

Animal shows. Conversely, attendance at Banquets and Meetings have increased significantly since 2015. Figure 4 - 4 provides a breakdown of attendance by event type at the LEC since 2015.

Figure 4 - 4

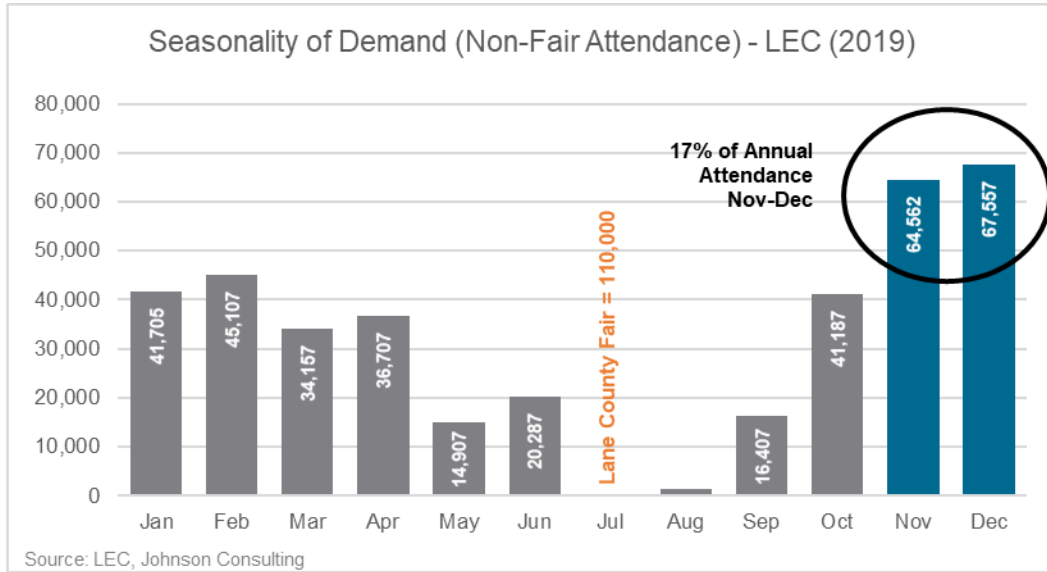


Since 2015, Fairs/Festivals have accounted for the highest proportion of attendance (34.9 percent), followed by Retail events, including consumer and public shows (29.0 percent), and Conventions/Tradeshows (28.4 percent).

**SEASONALITY OF DEMAND**

Figure 4 - 5 shows the seasonality of demand at the LEC, as measured by total attendance per month (excluding the annual County Fair). As shown, in 2019 November and December are expected to account for 17.0 percent of total attendance at the LEC. Three-quarters of total attendance (75.0 percent) is accounted for between October and April, with the quietest months being May, June, and August.

Figure 4 - 5



## LOST BUSINESS

Data from Travel Lane County (TLC) reports 6 lost conventions from the LEC between 2017 and 2021. These conventions totaled 33 event days, with estimated attendance of 15,400 persons and demand for 8,660 hotel room nights. The estimated economic impact of these events was \$11.7 million. Two-thirds of the lost events were recorded as being lost due to cost of the LEC, while the remaining one-third were turned away because the LEC was fully booked. Information from Travel Lane County indicates an additional 15 lost events, including a variety of Tradeshows, Banquets, Retail and Sports events, with cited reasons including cost, availability and lack of onsite hotel, as well as some events that have been canceled due to factors outside of the control of the LEC.

Anecdotal information provided by Management of the LEC indicates the following reasons have, over the past several years, been most frequently provided by lost clients and events (it is noted that these are not listed in any particular order):

- **Lack of Onsite Hotel:** Transportation creates a significant barrier for some events.
- **Insufficient Meeting Rooms/ Break-Out Spaces:** Lack of connectivity between available spaces and the location of the Meeting Rooms at the far corners of the Convention Center building. This means that attendees have to cross through the Exhibit Hall and Performance Hall entrances to access the Meeting Rooms which creates challenges for concurrent bookings. Meeting Rooms #2 and #3 in particular create challenges due to size, configuration and wayfinding.



- **Lack of Available Dates:** Most frequently an issue for Full Convention Center bookings, and the Performance Hall, and particularly between January and April.
- **Lack of Climate Control:** Wheeler Pavilion and the Auditorium suffer from low utilization, particularly during the summer months, because neither buildings are air conditioned.
- **Inadequate Food Service:** Lack of infrastructure for concessions in all buildings, with the exception of the Convention Center.

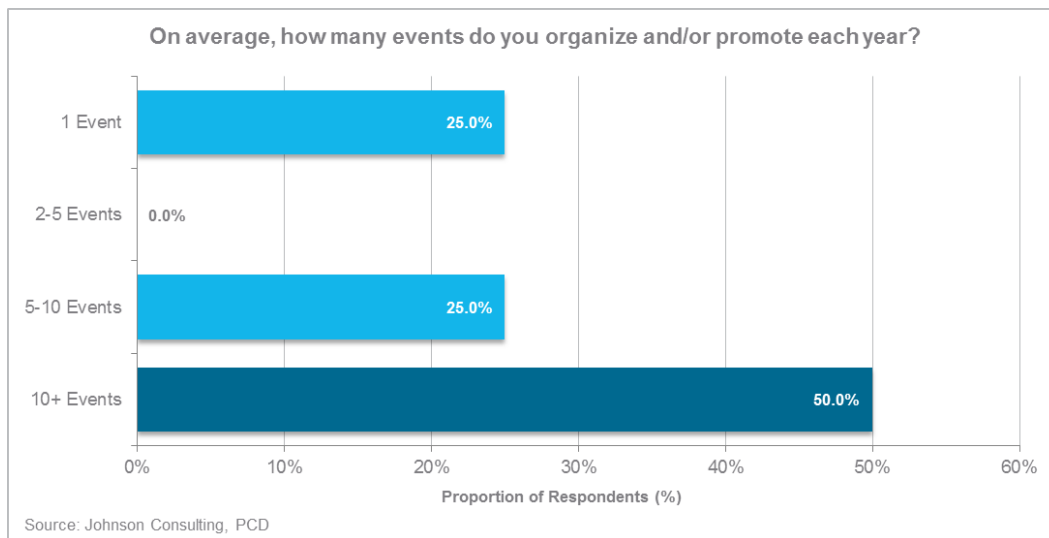
In order to assist LEC management in further understanding lost business from the venue, Johnson Consulting sent a web-based survey to organizers and promoters of lost and turned away events, based upon contact information provided by TLC and LEC management.

Our survey instrument was developed utilizing a web-based program and was distributed electronically. The survey sent to each recipient was identical. The survey remained ‘active’ for a period of approximately 3 weeks and we achieved a response rate of 75.0 percent. Industry standards dictate that a 10.0 percent response rate is generally representative for this type of analysis. As such, our sample size is considered to be statistically sound. Below is a summary of feedback provided to Johnson Consulting and PCD.

### EVENT CHARACTERISTICS

Figure 4 - 6 provides a breakdown of how many events survey respondents organize and/ or promote each year, on average.

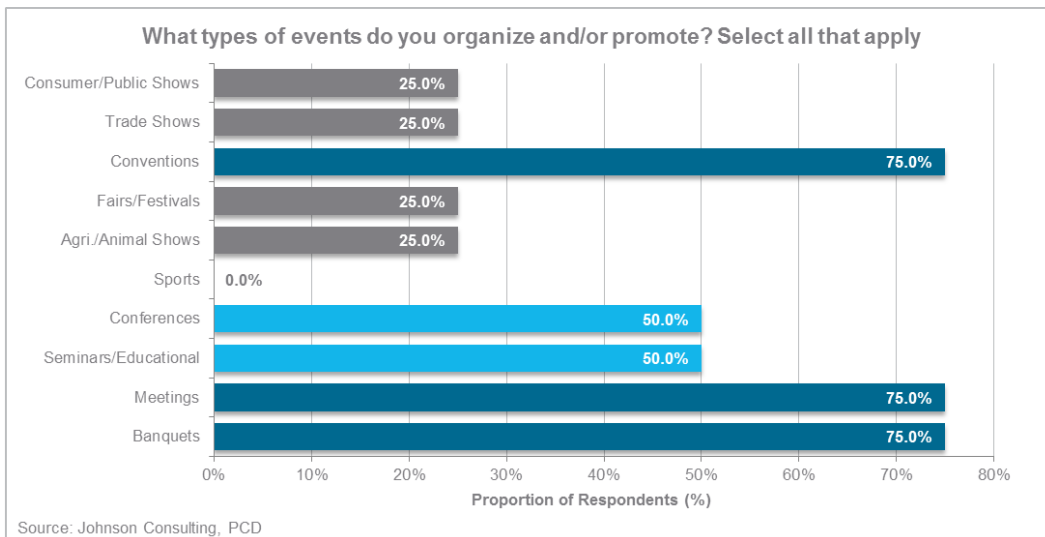
Figure 4 - 6



As shown, on average, half of respondents (50.0 percent) promote and/or organize 10 or more events annually, with the remaining respondents organizing/promoting either 1 event per year (25.0 percent) or 5-10 events per year (25.0 percent).

Figure 4 - 7 shows the types of events that survey respondents organize and/or promote. It is noted that respondents were asked to select all relevant categories of events.

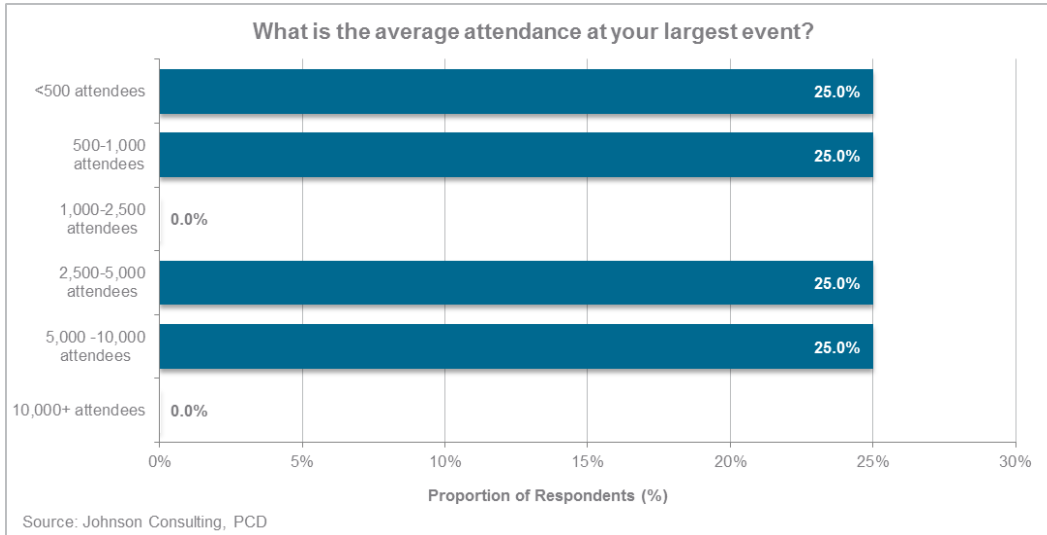
**Figure 4 - 7**



As shown, the event types that survey respondents most often organize and/or promote are Conventions, Meetings and Banquets (75.0 percent of respondents). Half of survey respondents (50.0 percent) plan and/or organize Conferences and Seminars/Educational events, while 25.0 percent plan and/or organize Consumer/Public Shows, Trade Shows, Fairs/Festivals, and Agricultural/Animal Shows. None of the respondents indicated that they organize and/ or promote Sports events.

Figure 4 - 8 provides average attendance at the largest event orgnaized and/ or promoted by survey respondents annually.

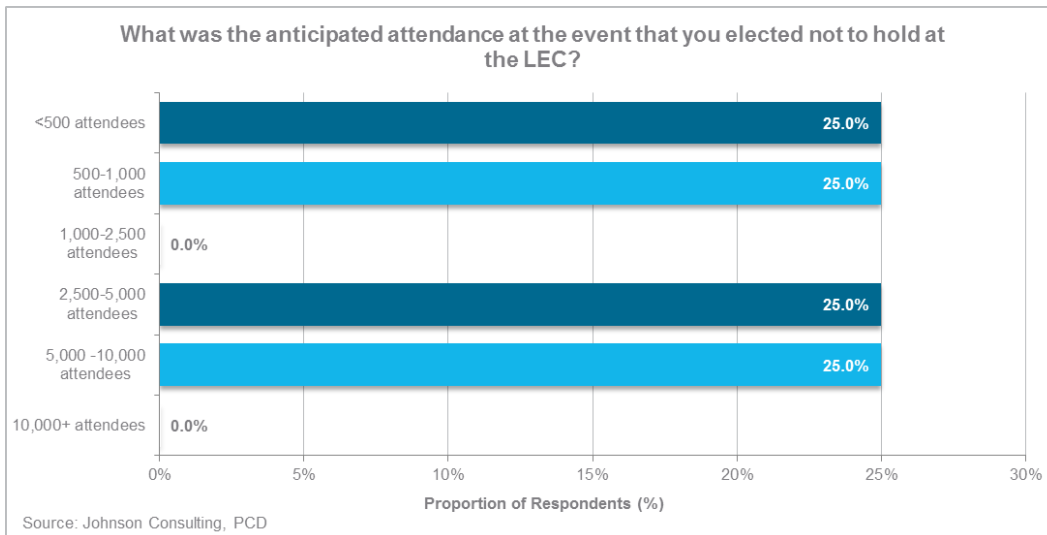
Figure 4 - 8



As shown, equal proportions of survey respondents indicated that average attendance at their largest annual event was <500 attendees, 500-1,000 attendees, 2,500-5,000 attendees, or 5,000-10,000 attendees (all 25.0 percent).

Figure 4 - 9 provides a breakdown of responses when survey recipients were asked what the anticipated attendance was at the event they elected not to hold at the LEC.

Figure 4 - 9



As shown, the responses to this question were identical to those given when respondents were asked about the average attendance at their largest event. It may be reasonable to assume that the events lost from LEC were survey respondents’ largest event (by average attendance).

**DESIRED FACILITIES AND ATTRIBUTES**

Figure 4 - 10 shows responses when survey recipients were asked how influential various attributes were in their decision not to hold their event at the LEC.

**Figure 4 - 10**

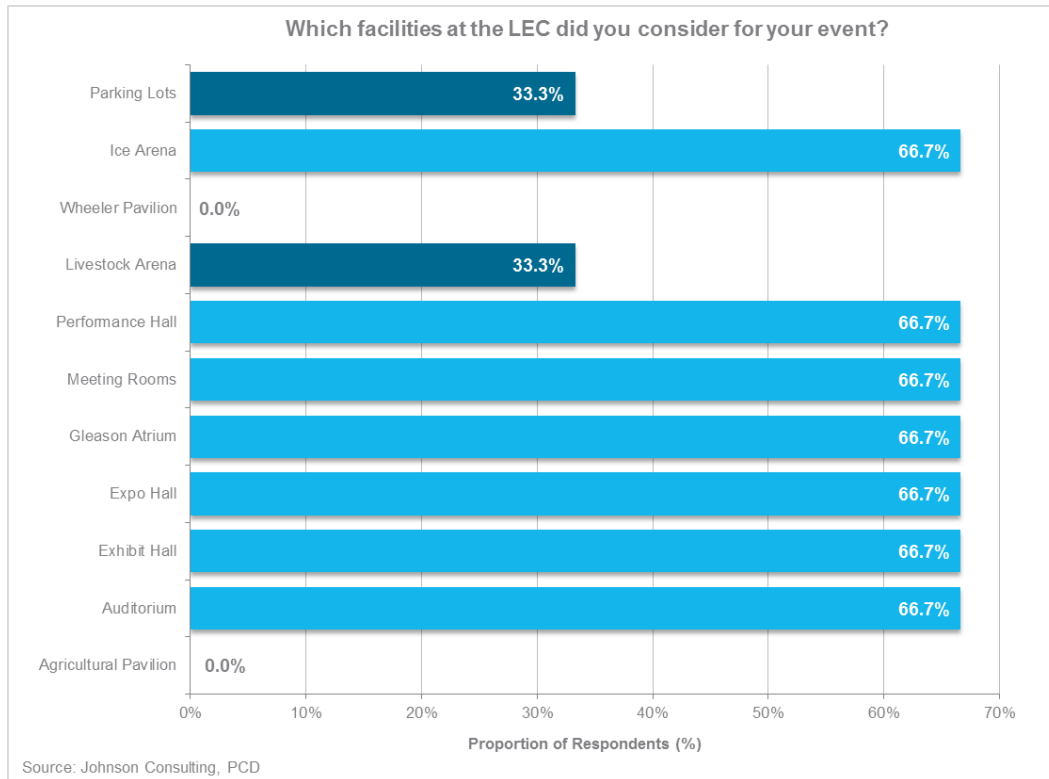


As shown, the most influential factor in survey respondents’ decisions not to host their event at the LEC was Date Availability, with 100.0 percent of respondents stating that Date Availability was ‘Very Influential’ in their decision. Other factors that rated highly were Affordability and Proximity to Hotels, with two-thirds of respondents (66.7 percent) identifying these as being ‘Very Influential’. Location, Flexibility of Facilities, Beverage Service, Ease of Load In/Load Out, and Technology were identified by two-thirds of

respondents (67.0 percent) as being ‘Somewhat Influential’ in their decision not to utilize the LEC for their event(s).

Figure 4 - 11 shows which facilities at the LEC survey respondents considered for their event(s).

**Figure 4 - 11**

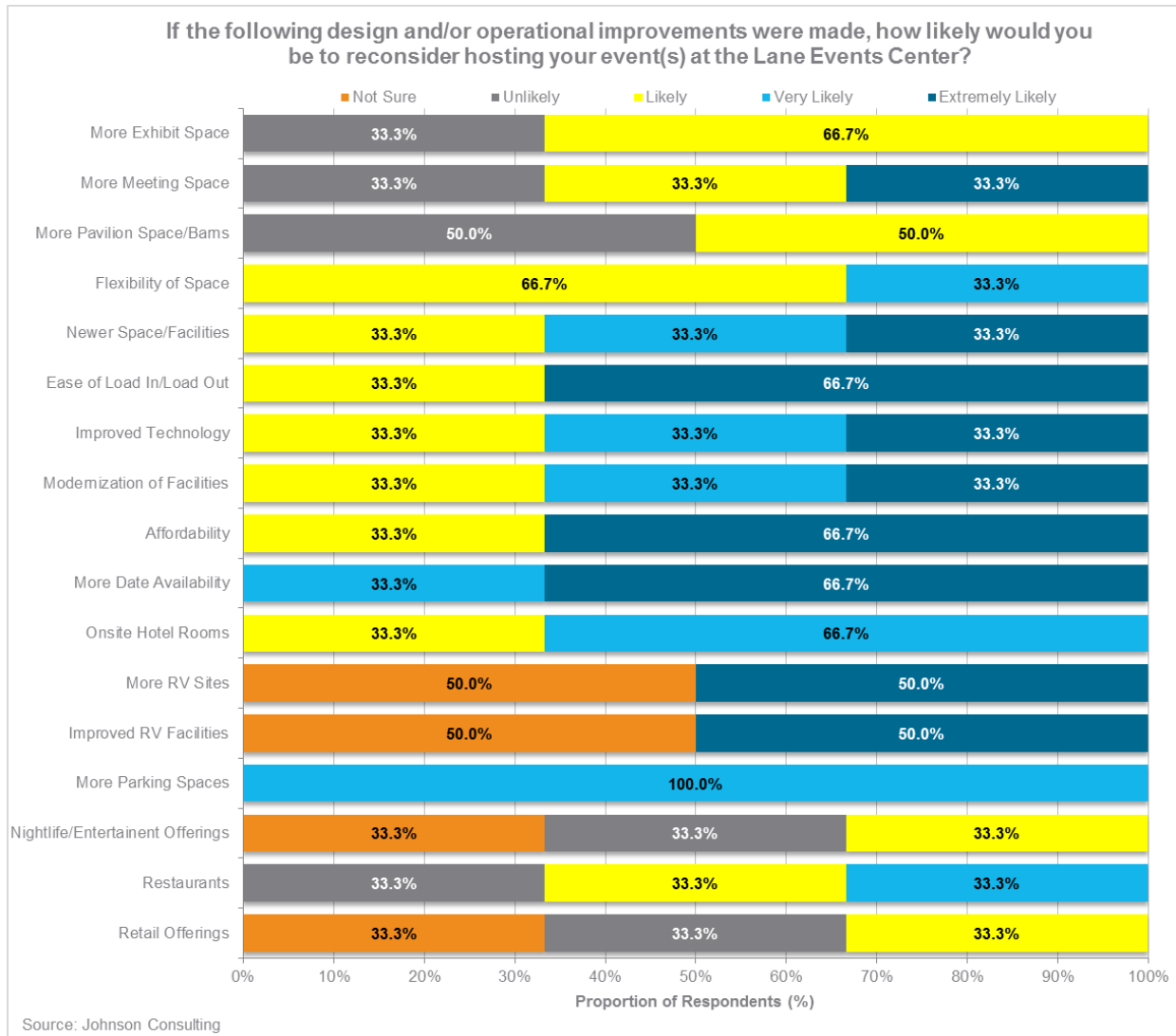


Two-thirds of respondents (66.7 percent) considered utilizing the Ice Arena, Performance Hall, Meeting Rooms, Gleason Atrium, Expo Hall, Exhibit Hall and/ or the Auditorium. A further one-third of respondents (33.3 percent) considered the Parking Lots and/ or Livestock Arena for their event(s), while none of the respondents considered the Wheeler Pavilion or the Agricultural .

**DESIRED IMPROVEMENTS**

Figure 4 - 12 shows responses by survey recipients when asked how likely they would be to reconsider hosting their event at the LEC if certain design and/or operational improvements were made.

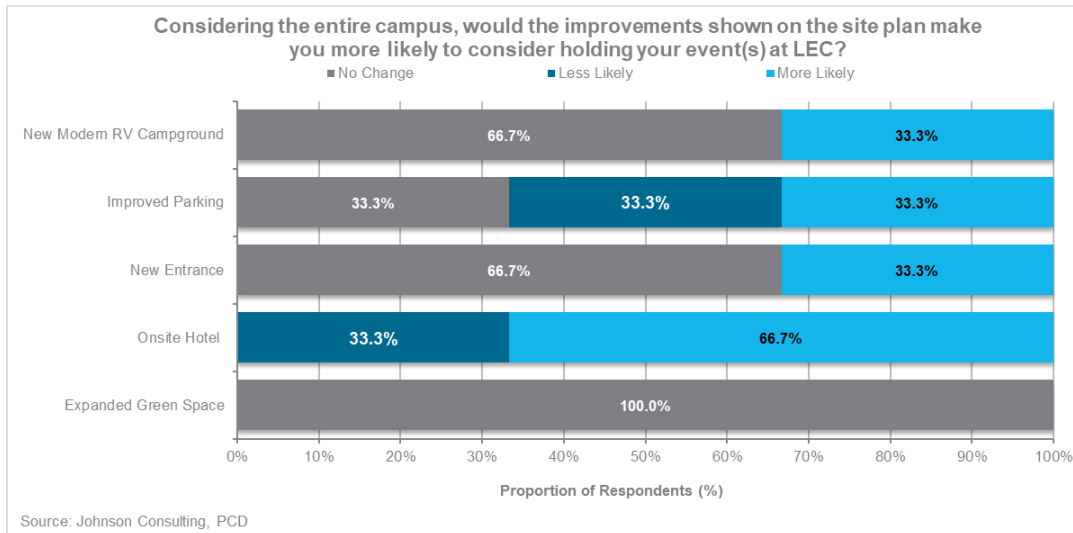
Figure 4 - 12



As shown, the improvement most likely to encourage survey respondents to reconsider the LEC for their event(s) is More Date Availability, with two-thirds of respondents (66.7 percent) stating that they would be 'Very Likely' to reconsider holding their event(s) at the LEC and a further 33.3 percent stating that they would be 'Likely' to reconsider. Two-thirds of respondents (66.7 percent) also stated that they would be 'Very Likely' to reconsider holding their event(s) at the LEC if issues of Affordability and Ease of Load In/Load Out were addressed. All respondents stated that they would be 'Likely' to reconsider holding their event at the LEC if More Parking Spaces were provided and two-thirds of respondents (66.7 percent) stated a desire for Onsite Hotel Rooms.

Figure 4 - 13 shows responses when survey recipients were asked whether improvements identified on the site plan would result in them being more or less likely to reconsider holding their events at the LEC.

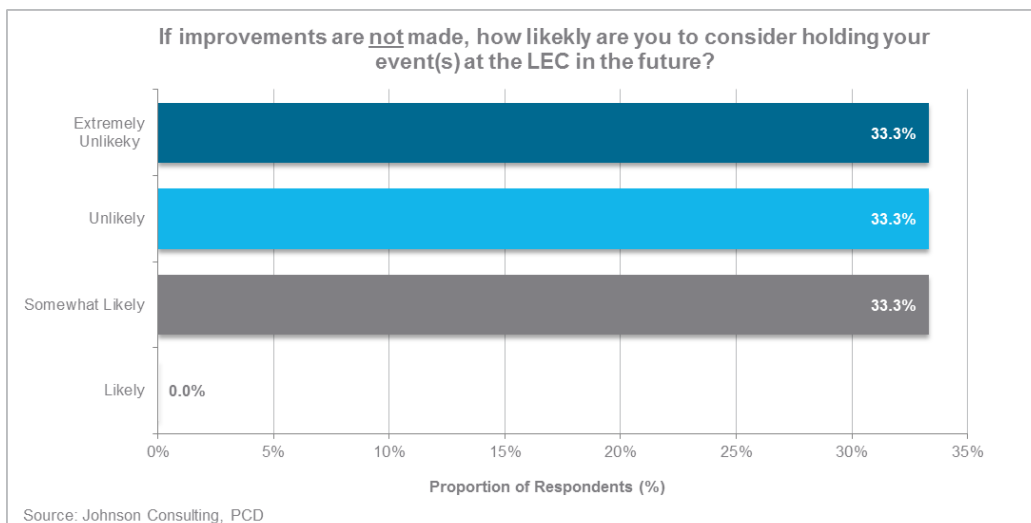
**Figure 4 - 13**



According to respondents, Expanded Green Space would not result in any change in likelihood of respondents reconsidering the LEC, and the preponderance of respondents (66.7 percent) also indicated that a New Modern RV Campground or a New Entrance would have no bearing on their decision. Conversely, two-thirds of respondents indicated that an Onsite Hotel would make them ‘More Likely’ to consider the LEC for their event(s), while equal proportions (33.3 percent) stated that Improved Parking would either make them ‘More Likely’, ‘Less Likely’ or would cause ‘No Change’ in their decision to consider the LEC for their event(s).

Figure 4 - 14 shows responses when survey recipients were asked how likely they are to consider holding their events at the LEC in the future if no improvements are made to the campus.

**Figure 4 - 14**



As shown, responses among survey recipients were distributed equally among ‘Extremely Unlikely’, ‘Unlikely’, and ‘Somewhat Unlikely’ (all 33.3 percent). None of the respondents indicated that they were ‘Likely’ to reconsider holding their event(s) at the LEC in the future if improvements to the campus are not made.

### ALTERNATIVE VENUES

Survey respondents were asked to identify which alternative venue they booked instead of the LEC. The predominant response was Linn County Fairgrounds in Albany, OR, and a common justification was the relative affordability.

### RENTAL RATES

Figure 4 - 15 shows current rental rates for facilities at the LEC, per event day, movie in/ move out day and for décor. Rental rates average \$0.11 per SF per event day across all available event spaces.

Figure 4 - 15

LEC Building Capacity and Rental Rates (2019)									
Building	Size (SF)	Capacity (# of Persons)				Rental Rates			
		Theater	Classroom	Banquet	Exhibits (# Booths)	Event	MI/ MO	Décor	Non-Profit Event
<b>Convention Center</b>	<b>75,000</b>					<b>\$7,900</b>	\$2,630	\$789	-
Exhibit Hall	37,000	4,000	1,000	2,500	212	\$4,350	\$1,490	\$447	\$3,262.50
Performance Hall	22,000	1,500	550	1,100	120	\$2,400	\$800	\$108	\$1,800
Gleason Atrium	5,100	340	200	250	30	\$990	\$360	n/a	\$742
Meeting Room #1	3,680	250	150	160	Varies	\$550	\$165	n/a	-
Meeting Room #2	1,087	75	40	50	Varies	\$280	\$80	n/a	-
Meeting Room #3	1,506	100	60	75	Varies	\$280	\$80	n/a	-
Meeting Room #4	3,685	250	170	160	Varies	\$550	\$165	n/a	-
<b>Auditorium</b>	<b>12,096</b>	806	330	400	63	<b>\$790</b>	\$290	\$87	\$592.20
<b>Wheeler Pavilion</b>	<b>11,000</b>	733	400	400	55	<b>\$970</b>	\$340	\$102	\$727.50
Expo Hall #1	6,540	436	-	-	-	<b>\$680</b>	\$230	\$69	-
Expo Hall #2	7,200	480	-	-	-	<b>\$680</b>	\$230	\$69	-
Expo Hall #3	8,200	547	-	-	-	<b>\$680</b>	\$230	\$69	-
Expo Hall #4	7,200	480	-	-	-	<b>\$680</b>	\$230	\$69	-
Expo Hall #5	10,640	709	-	-	-	<b>\$680</b>	\$230	\$69	-
Expo Hall #6	7,200	480	-	-	-	<b>\$680</b>	\$230	\$69	-
Agricultural Pavilion	-	-	-	-	-	<b>\$420</b>	\$140	n/a	-
<b>Livestock Arena</b>	<b>36,000</b>	544	-	-	-	<b>\$680</b>	\$295	\$89	-

Source: LEC, Johnson Consulting



## REVENUE AND EXPENSES

Between 2013 and 2019, the LEC’s total operating revenues increased at an average annual rate of 2.8 percent, while operating expenses increased at a lower average annual rate of 1.5 percent. This resulted in a reduction in the net operating deficit, before non-operating revenue and expenses, at an average annual rate of (2.0) percent. Considerable improvement was reported between 2018 and 2019, with a net operating deficit of (\$1.5) million in 2018 compared to an estimated deficit of (\$838,000) in 2019. When non-operating revenues and transfers are accounted for, total revenues at the LEC have increased considerably from \$420,000 in 2013 to \$4.1 million in 2019. Again, 2019 represents a considerable improvement over 2018 with total revenue projected to increase from \$3.5 million in 2018 to \$4.1 million in 2019. Figure 4 - 16 shows operating revenues, expenses, operating income (loss) and total revenues over (under) expenditures for the LEC between 2013 and 2019.

Figure 4 - 16

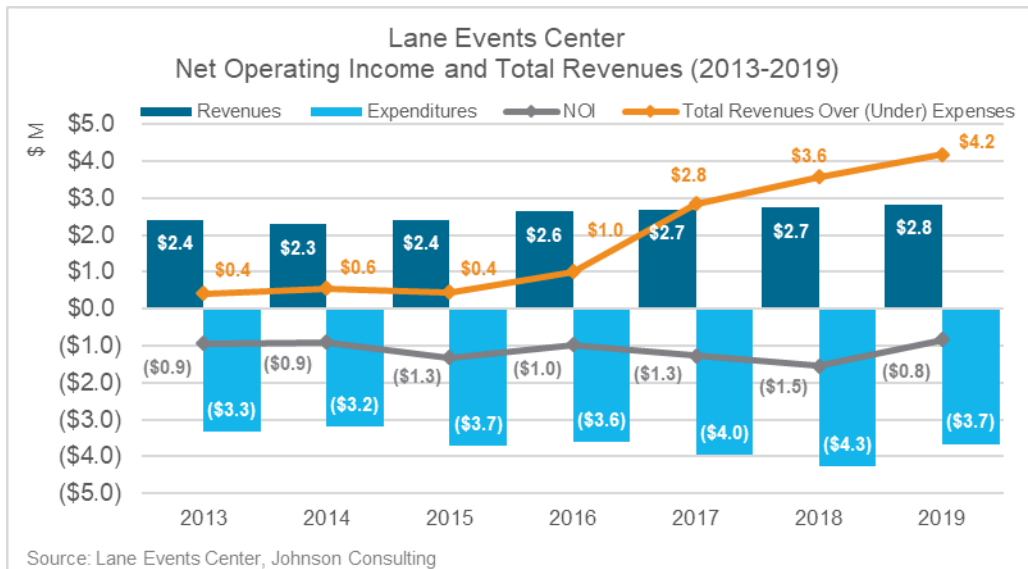


Figure 4 - 17 provides a breakdown of the revenue and expenses associated with the annual Lane County Fair (LCF) and those attributed to year-round, non-Fair events from 2015 through 2019. As shown, the Fair has consistently generated a net operating profit from 2015 through 2019, reflecting its impact on the local and regional communities, while non-Fair events have incurred a combined net operating loss that are covered by non-operating revenues and transfers. This represents a distinct opportunity to further grow revenues at the LEC.

Figure 4 - 17

Lane Events Center Statements of Revenues and Expenses (\$ Million) - ALL EVENTS															
	2015			2016			2017			2018			2019		
	LCF	Non-Fair	All	LCF	Non-Fair	All	LCF	Non-Fair	All	LCF	Non-Fair	All	LCF	Non-Fair	All
<b>Operating Revenues</b>															
Building Rental	\$0.0	\$0.8	\$0.8	\$0.0	\$0.9	\$0.9	\$0.0	\$0.8	\$0.8	\$0.0	\$0.8	\$0.8	\$0.0	\$0.9	\$0.9
Admissions	0.3	0.1	0.4	0.4	0.1	0.4	0.4	0.1	0.5	0.4	0.1	0.5	0.4	0.1	0.4
Annual Fair	0.7	0.0	0.7	0.7	0.0	0.7	0.8	0.0	0.8	0.8	0.0	0.8	0.9	0.0	0.9
F&B	0.0	0.1	0.1	0.0	0.1	0.2	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Equipment Rental	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.2	0.3	0.0	0.2	0.2	0.0	0.2	0.2
Miscellaneous	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.1	0.2	0.1	0.2	0.2
<b>Total Operating Revenues</b>	<b>\$1.0</b>	<b>\$1.4</b>	<b>\$2.4</b>	<b>\$1.2</b>	<b>\$1.5</b>	<b>\$2.6</b>	<b>\$1.2</b>	<b>\$1.5</b>	<b>\$2.7</b>	<b>\$1.3</b>	<b>\$1.4</b>	<b>\$2.7</b>	<b>\$1.3</b>	<b>\$1.5</b>	<b>\$2.8</b>
<b>Expenses</b>															
Personnel and Fringe	\$0.1	\$1.1	\$1.2	\$0.1	\$1.1	\$1.3	\$0.2	\$1.2	\$1.3	\$0.2	\$1.1	\$1.3	\$0.3	\$1.0	\$1.3
Materials and Services	0.9	1.4	2.3	0.9	1.3	2.2	0.9	1.6	2.5	0.9	1.3	2.2	0.9	1.3	2.2
Capital Projects/Outlay	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.1	0.1
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Expenditures	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.4	0.4	0.0	0.0	0.0
Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Expenditures</b>	<b>\$1.0</b>	<b>\$2.7</b>	<b>\$3.7</b>	<b>\$1.0</b>	<b>\$2.6</b>	<b>\$3.6</b>	<b>\$1.0</b>	<b>\$2.9</b>	<b>\$4.0</b>	<b>\$1.1</b>	<b>\$3.2</b>	<b>\$4.3</b>	<b>\$1.2</b>	<b>\$2.4</b>	<b>\$3.7</b>
<b>Net Operating Income (Loss)</b>	<b>\$0.0</b>	<b>(\$1.3)</b>	<b>(\$1.3)</b>	<b>\$0.1</b>	<b>(\$1.1)</b>	<b>(\$1.0)</b>	<b>\$0.2</b>	<b>(\$1.5)</b>	<b>(\$1.3)</b>	<b>\$0.2</b>	<b>(\$1.8)</b>	<b>(\$1.5)</b>	<b>\$0.1</b>	<b>(\$1.0)</b>	<b>(\$0.8)</b>
<b>Non-Operating Revenue and Transfers</b>															
Non-Operating Revenue	\$0.0	\$1.2	\$1.2	\$0.1	\$1.5	\$1.5	\$0.1	\$1.8	\$1.8	\$0.1	\$1.9	\$2.0	\$0.1	\$1.4	\$1.4
Transfers	0.0	0.6	0.6	0.0	0.4	0.4	0.0	2.3	2.3	0.0	3.1	3.1	0.0	3.6	3.6
<b>Total</b>	<b>\$0.0</b>	<b>\$1.7</b>	<b>\$1.8</b>	<b>\$0.1</b>	<b>\$1.9</b>	<b>\$2.0</b>	<b>\$0.1</b>	<b>\$4.0</b>	<b>\$4.1</b>	<b>\$0.1</b>	<b>\$5.1</b>	<b>\$5.1</b>	<b>\$0.1</b>	<b>\$5.0</b>	<b>\$5.0</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$0.1</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.2</b>	<b>\$0.8</b>	<b>\$1.0</b>	<b>\$0.3</b>	<b>\$2.6</b>	<b>\$2.8</b>	<b>\$0.3</b>	<b>\$3.3</b>	<b>\$3.6</b>	<b>\$0.2</b>	<b>\$4.0</b>	<b>\$4.2</b>

Source: Lane Events Center

## PHYSICAL CONDITIONS ASSESSMENT

A study conducted by Faithful+Gould, Inc. in August 2017 reported on the condition of the various buildings at the LEC, and the overall site, including an investigative assessment of architectural, structural, mechanical and electrical systems. Based upon the buildings' system's ages, operational performances and forecasted maintenance needs, each building's condition was rated using a Facility Condition Needs Index (FCNI), calculated as follows:

$$\text{FCNI} = (\text{Forecasted Maintenance Costs} + \text{Repair Costs} + \text{Needs and Replacement Costs}) / (\text{Facility Replacement Value})$$

The FCNI provides insight into the overall condition of the buildings and site and is used to support asset management and to prioritize maintenance and/or replacement initiatives. Based on the FCNI score, Faithful+Gould identified the condition of each building as being in 1 of 4 categories: Good (FCNI of up to 5.0 percent), Fair (FCNI of 5.0 – 10.0 percent), Poor (FCNI of greater than 10.0 percent) or Very Poor (FCNI of greater than 60.0 percent). Figure 4 - 18 shows the FCNI assigned to the buildings and site at the LEC by Faithful+Gould.

Figure 4 - 18

Lane County Fairgrounds Building Conditions  
WEST 13TH AVENUE



Section A Key



*FCI obtained from Faithful+Gould Facility Condition Assessment Report dated August 2017*

Facility Condition Needs Index (FCNI) Lane Events Center (2017)			
Building	Age (Years)	FCNI	Building Condition
1 Convention/ Events Center	39	21.1%	Poor
2 Ice Arena	39	50.7%	Poor
3 Livestock Arena	30	36.8%	Poor
4 Exposition Hall	69	12.1%	Poor
5 Auditorium	69	30.3%	Poor
6 Wheeler Pavilion	61	0.3%	Good
7 Agriculture Pavilion (Horse Barn)	30	68.8%	Very Poor
8 Administration	69	37.6%	Poor
9 Site	69	68.0%	Very Poor

Source: Faithful+Gould, Inc., PCD, Johnson Consulting

As shown, the Wheeler Pavilion was rated as ‘Good’, while all other buildings and the site were rated as ‘Poor’ or ‘Very Poor’ by Faithful+Gould. Building upon Faithful+Gould’s findings, the following assessment of each building is based upon Johnson Consulting and PCD’s physical tour of facilities on the LEC campus and interviews conducted with current users, which provided insight into elements that could be improved in order to better meet the demands of today’s event market, satisfy the expectations of visitors and make the facilities more attractive to potential user groups.

## 1. CONVENTION/ EVENTS CENTER

**FACILITY USE:** Events

**YEAR BUILT:** 1980

**SQUARE FOOTAGE:** 110,885

### NOTES:

- Reduce number of entry points accessible to the public.
- Provide a more open entry with better lighting in order to make Convention/ Events Center more inviting to visitors.
- Improve lighting levels and provide adjustable lighting within exhibit space.
- Additional and appropriately sized and shaped break-out rooms are needed to better facilitate meetings, lectures, and presentations.
- Need service corridor for operations throughout the building during events.
- Increase door widths and overhead door access for large deliveries to the building for event logistics.

### STAKEHOLDER COMMENTS:

- Develop main entry for a focal point for access, ticketing and crowd control.
- Repair or replace roof to stop roof water leaks. This problem is currently being addressed according to LEC management.
- More available floor space would provide the ability to offer more booths and exhibits.
- Improve wayfinding within building by providing easy-to-read and easy-to-see signage.
- Serving counters in break-out rooms will enable individual rooms to be used for smaller gatherings.



- HVAC improvements were requested. This problem is currently being addressed according to LEC management.
- A child care area for some events would allow for more people to attend some events.
- Cell phone charging stations and better WiFi coverage is common in modern facilities.
- Provide access to temporary carpeting for improved acoustics and aesthetics for selected events.
- Provide convenient recycling throughout the building.
- Provide bottle-filling stations.
- Provide secure event storage.
- Provide temporary ramps for access to stage for accessibility by the physically handicapped.
- Improve quality of food offerings during events by catering.



## 2. ICE ARENA

**FACILITY USE:** Ice Events

**YEAR BUILT:** 1980

**SQUARE FOOTAGE:** 65,170

### NOTES:

- The Ice Arena does not fit into the overall operational goals of the LEC and for such a large facility, does not provide a profit to the LEC. Therefore, the building should be repurposed to host new events and to provide additional floor space for existing events.
- If repurposed, the existing concrete floor around the arena should be replaced.
- If repurposed, the roof leaks should be repaired.
- If repurposed, depending on the events targeted for the facility, the bleachers should either be replaced or removed entirely to provide additional floor space.
- If revamped for non-ice uses, an ice venue will still be a desired use within the County.

### STAKEHOLDER COMMENTS:

- Originally built for equestrian and rodeo events; The facility was converted to an ice arena in 1989.
- The subgrade has frozen due to the ice on the floor during the ice event season. The frozen subgrade has caused the concrete surfaces to heave.
- Facility is shut down during the summer to slow and lessen the effects of frost heave.
- The ice events promoter rents the facility for an annual lump sum of \$50,000 and maintains the chiller equipment. The lengthy event season, and the downtime during the summer for maintenance, precludes LEC from booking any events in this facility.
- Repair of roof leaks would improve events.



### 3. LIVESTOCK ARENA

**FACILITY USE:** Livestock Events

**YEAR BUILT:** 1989

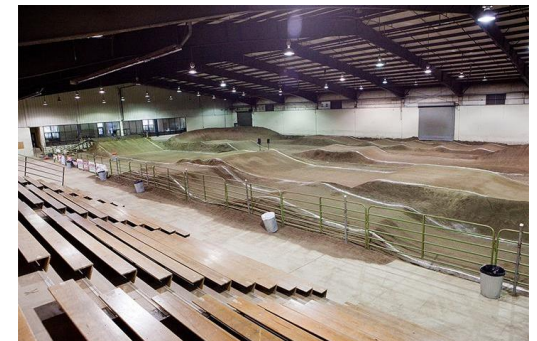
**SQUARE FOOTAGE:** 55,400

#### NOTES:

- The floor of the main arena is currently dirt. Events such as trade shows, livestock shows, and sporting events would benefit from a concrete floor in the main arena. However, the Oregon Logging Conference prefers a dirt floor in the main arena.
- Handicapped accessibility is required for the elevated viewing area on the east end of the building.
- An upgraded entry, improved restrooms and the addition of meeting space should be considered to make the building more marketable for events.
- Improved ventilation should be considered in order to attract warm weather events.
- An enhanced sound system would make events more manageable by the promoters and more enjoyable by attendees.

#### STAKEHOLDER COMMENTS:

- The dirt floor of the south lean-to can be used for the equestrian events currently still held at LEC and if necessary, dirt can be brought into the main arena for larger events requiring a dirt floor.
- Livestock related events would benefit from more power and larger, improved wash bays.



#### 4. EXPOSITION HALL

**FACILITY USE:** Events

**YEAR BUILT:** 1950

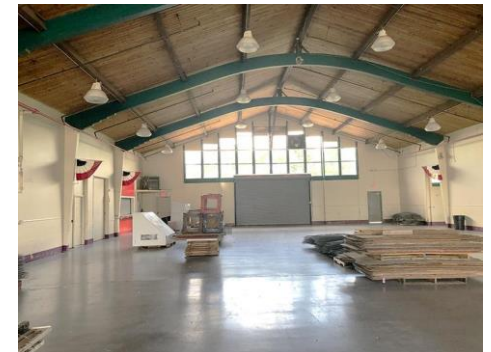
**SQUARE FOOTAGE:** 60,420

##### NOTES:

- Restrooms should be updated and made to be compliant with ADA.
- The HVAC should be improved for year-round comfort for events.
- Some areas of denser occupancy could benefit from acoustical treatments.
- Larger doorways are needed for loading displacement and equipment in and out of the facility.
- Areas of wood decay should be addressed to prevent severe structural damage.

##### STAKEHOLDER COMMENTS:

- No specific comments provided.





## 5. AUDITORIUM

**FACILITY USE:** Banquet Dining, Sporting, Trade Shows

**YEAR BUILT:** 1950

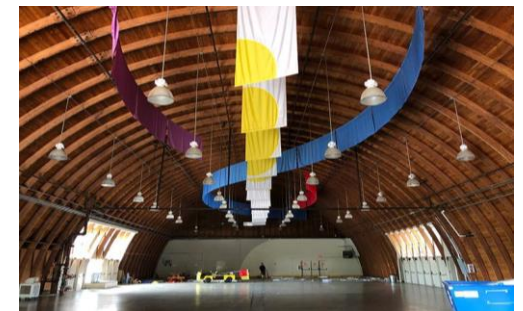
**SQUARE FOOTAGE:** 14,255

### NOTES:

- Ventilation improvements can be achieved with the addition of exhaust fans and high-volume/low-speed ceiling hung fans.

### STAKEHOLDER COMMENTS:

- Air conditioning this space could increase the ability to book the facility. However, the nature of the structure system is not conducive to receiving insulation upgrades.
- The acoustics in the building are poor and due to the building shape, improvements of the acoustics by the addition of sound panels will likely yield only minimal improvement.



## 6. WHEELER PAVILION

**FACILITY USE:** Events

**YEAR BUILT:** 1958

**SQUARE FOOTAGE:** 14,630

### NOTES:

- Audio and acoustical improvements would benefit most events held in the Pavilion.
- Air conditioning would make the use of the Pavilion more comfortable during the summer months.
- Restrooms should be updated and brought to compliance with the requirements of the ADA.

### STAKEHOLDER COMMENTS:

- No specific comments provided.



## 7. AGRICULTURAL PAVILION

**FACILITY USE:** Horse Stalling, Livestock Events

**YEAR BUILT:** 1989

**SQUARE FOOTAGE:** 34,300

### NOTES:

- The Agricultural Pavilion currently serves its purpose as a stall barn or livestock building. Considering the market, upgrades to the Agricultural Pavilion are not warranted.

### STAKEHOLDER COMMENTS:

- Stalls in the barn should be upgraded to meet equestrians' modern expectations.

## 8. ADMINISTRATION

**FACILITY USE:** Administration Offices

**YEAR BUILT:** 1950

**SQUARE FOOTAGE:** 2,490

### NOTES:

- Additional space would benefit the staff of fourteen who office out of the Administration Building.
- Larger conference room(s) would provide better meeting space.
- Break rooms and restroom upgrades are needed.

### STAKEHOLDER COMMENTS:

- No specific comments provided.





## 9. SITE

**FACILITY USE:** Parking and Exterior Exhibits

**YEAR ACQUIRED:** 1950

**SQUARE FOOTAGE:** Approximately 56 acres (gross)

### NOTES:

- Improve wayfinding to site, and within site, by providing easy to read, and easy to see, signage.
- Improved and additional RV sites would increase revenue during events.
- Site needs a grand marquee entrance to define the entry and create a theme for the fairgrounds.
- Provide improved green space for outdoor gatherings.
- Increase tree plantings to provide shade during outdoor events and to soften the buildings' facades.
- Provide better connectivity to the main downtown core, which is geographically close but somewhat disconnected and perceived as far away.

### STAKEHOLDER COMMENTS:

- Provide convenient recycling systems throughout the site.
- Clean-up and provide landscaping along waterway to beautify area and possibly create an RV campground area.
- May consider outdoor food court for improved dining options. Tenting, picnic tables and landscaping could define this area.



## OBSERVATIONS

The LEC is well-operated, with high-quality staff and a substantial operating budget. Since 2015, total events have increased at average annual rate of 0.2 percent and event days have increased at an even higher rate of 2.8 percent per annum. At the same time, total attendance has increase slightly at an average annual rate of 0.3 percent. Growth in demand has been reflected in a decrease in the net operating deficit over recent years. The County has made a substantial and successful effort to restructure the LEC from an organizational and operational perspective, but the physical offerings need to be significantly enhanced to allow the LEC to continuing serving as a community asset and grow its regional impact.

The preponderance of buildings on the campus are small, most are not air-conditioned and, in their current state, do not have potential to attract a meaningful increase in the number of events that could generate significant revenue. Areas that seem to have the greatest potential for incremental events include the Convention/ Events Center, Wheeler Pavilion, Auditorium and Livestock Arena, along with continued exploitation of the parking areas and general grounds for events. This will necessitate significant investment by the County.

As it relates to the ability to regain lost business, the most influential factor in survey respondents' decisions not to host their event at the LEC was Date Availability, followed by Affordability and Proximity to Hotels. Location, Flexibility of Facilities, Beverage Service, Ease of Load In/Load Out, and Technology were also identified as being influential in decisions not to utilize the LEC for events. The improvement most likely to encourage survey respondents to reconsider the LEC for their event(s) is More Date Availability, with many respondents also willing to reconsider holding their event(s) at the LEC if issues of Affordability and Ease of Load In/ Load Out were addressed. An Onsite Hotel would also encourage users to reconsider the LEC for their event(s).

# INTERVIEWS AND SURVEY RESULTS ANALYSIS

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## INTERVIEWS SUMMARY

In order to evaluate the market potential for various improvements to the LEC, Johnson Consulting and PCD conducted in-person and telephone interviews with current users of existing LEC facilities, business leaders, economic development officials, and show organizers and promoters, among other key stakeholders. Observations from our primary research, coupled with feedback provided to Johnson Consulting through the interview process, helped frame the recommendations presented in the following Section of this report.

Notable individuals, groups and organizations interviewed include:

- LEC Management.
- Lane County Public Works Department.
- Lane County Budget and Finance Department.
- Eugene Chamber of Commerce.
- Springfield Area Chamber of Commerce.
- Travel Lane County.
- Travel Lane County Board of Directors.
- Facility Partners and Tenants.
- Local Hoteliers.
- Local, Regional and National Show Promoters and Organizers.

The above groups represent a broad spectrum of interest in Lane County's events, agriculture, business, hospitality, and tourism sectors and many are intimately familiar with the LEC, the market area and sources of demand that may provide support for various improvements to the facilities and grounds. Some of the key issues and observations identified by the interviewees are summarized under the following subheadings.

## CURRENT MARKET DYNAMICS

- Eugene is special. It has a reputation for sports and is known for the University of Oregon. Currently, the City is in the process of recreating its identity.
- Downtown is expanding in multiple directions, including towards the LEC.
- There are a number of recently completed, and currently under construction, hotel projects in the Eugene market. This is causing lower occupancies overall during the non-peak months, which

may limit the opportunity for additional new hotel properties in the market over the short- to medium-term.

- Area hotels are impacted only by the larger events at the LEC, specifically the annual Oregon Logging Conference. Additional conventions in Eugene would benefit hotels by generating overnight demand.
- Options for a new convention center are being explored in both Eugene and Springfield. Some stakeholders were of the opinion that Eugene, and specifically the LEC site, would be an ideal location for a new convention center, given proximity to downtown and the I-5. Notwithstanding this, it is understood that the Springfield City Council has prioritized a convention center project.
- There is a general need in the local community for additional youth activities.

## PROJECT-SPECIFIC DYNAMICS

- The LEC is well known and the annual Fair is a highly attractive, key asset for the community.
- The staff at the LEC are efficient, friendly, personal and professional. Additional marketing by the LEC staff would help to improve visibility and increase attendance at events. Some stakeholders and users were of the opinion that there is a need for better communication by LEC staff related to changes to policies and procedures, and particularly in relation to protocols in unforeseen circumstances or episodes of emergency.
- While the majority stakeholders were of the opinion that the LEC is well located, others were of the opinion that it should be relocated to free up space for commercial and residential development. Some interviewees also mentioned a disconnect that exists between downtown Eugene and the LEC, compounded by the established residential areas. A dedicated bus line could be considered to improve connectivity.
- The LEC has served as the “only place in town” for large tradeshows and larger social events. With a changing competitive landscape, the LEC needs to develop a “year-round personality”. The overall image of the LEC, and the grounds, need to be enhanced.
- Rental rates at the LEC are competitive to high, and other fairgrounds’ venues in the region are able to offer more attractive package deals.
- There is a lot of latent demand, locally and regionally, that could be attracted to the LEC if positioned correctly, including increasing interest from non-profit organizations.
- Existing buildings are dated, with limited AV, Wi-Fi, HVAC and general technology capabilities relative to newer facilities. Many buildings on the site need substantial repair and some should be replaced. As a consequence, some current users of the LEC indicated that they are seeking alternative venues for their events and activities.



- The Convention/ Events Center building is disjointed. There is a need for more breakout rooms and dedicated show office space. A ballroom could help to attract events in the range of 350 to 500 attendees, which are currently lost to other venues in the market.
- A concrete floor in the Livestock Building would allow it to become more multi-purpose.
- Although the Ice Arena is not regulation size, it is heavily utilized.
- Food service is expensive and according to many stakeholders, the quality does not reflect the price point.
- Area signage and onsite wayfinding needs to be improved. Some interviewees reported visitors having difficulty finding the LEC and suggested more signage from the downtown area.
- Building security and the safety of visitors were a common concern among interviewees. Fewer building entrances would reduce the need for promoters to monitor and secure doorways during events. In addition, video cameras, motion detectors, alarmed doors and an enhanced security guard presence were requested to help ensure the safety of exhibitors and visitors.
- The LEC has ample parking that needs to be retained. There is a need for additional RV sites.
- Landscaping should be encouraged, perhaps with the inclusion of outdoor event space.
- Some stakeholders expressed a desire for an onsite hotel, given a limited inventory of hotels within walking distance of the LEC and the ability to capitalize on the expansion of downtown. It was the general consensus that some form of County incentives would be required to attract a private developer for a new hotel project. The general consensus among interviewees was that a hotel with ±100 rooms would serve the needs of most events held at the LEC.
- Given regulations, there is no desire to recover equestrian business at the LEC.

## OBSERVATIONS

Overall, the interviews revealed a high level of support for improvements to the LEC. Interviewees were very complimentary of staff of the LEC but noted a need for significant modernization of facilities. A number of interviewees also indicated that rental rates for facilities at the LEC are high relative to regional facilities, in part reflecting that it is the “only game in town” in terms of large, non-hotel event space. Figure 5 - 1 provides a comparison of current rental rates at the LEC compared to the peer set of regional facilities presented in Section 3 of this report.

Figure 5 - 1

Lane Events Center Comparable Regional Facility Prices (per SF)						
Facility Type	Lane Events Center		Douglas County Fairgrounds	Clark County Event Center	Deschutes County Fairgrounds and Expo Center	Washington State Fair and Event Center
Exhibit Space	Exhibit Hall	\$0.12	\$0.04-\$0.06	\$0.04-\$0.11	\$0.09-\$0.18	\$0.08-\$0.16
	Performance Hall	\$0.11				
	Wheeler Pavilion	\$0.09				
	Auditorium	\$0.07				
Meeting Space	Meeting Room 1	\$0.15	\$0.04-\$0.18	N/A	\$0.17-\$0.18	\$0.19-\$0.25
	Meeting Room 2	\$0.26				
	Meeting Room 3	\$0.19				
	Meeting Room 4	\$0.15				
Livestock Arena	Livestock Arena	\$0.02	N/A	N/A	\$0.02-\$0.03	\$0.08-\$0.12

Source: Relevant Facilities, Johnson Consulting

As shown exhibit and meeting space at the LEC is generally more expensive than at the Douglas County Fairgrounds, which is the closest regional facility by distance, but in line with other facilities. The livestock arena at the LEC is comparable in price to the two livestock arenas at the Deschutes County Fairgrounds, and significantly less expensive than the livestock arena at the Washington State Fair and Event Center, on a per SF basis. Notwithstanding this, many of the facilities at the LEC are more dated than those at regional fairgrounds and are not climate controlled. This may be one of the justifications for perceived higher rental rates at the LEC compared to regional facilities.

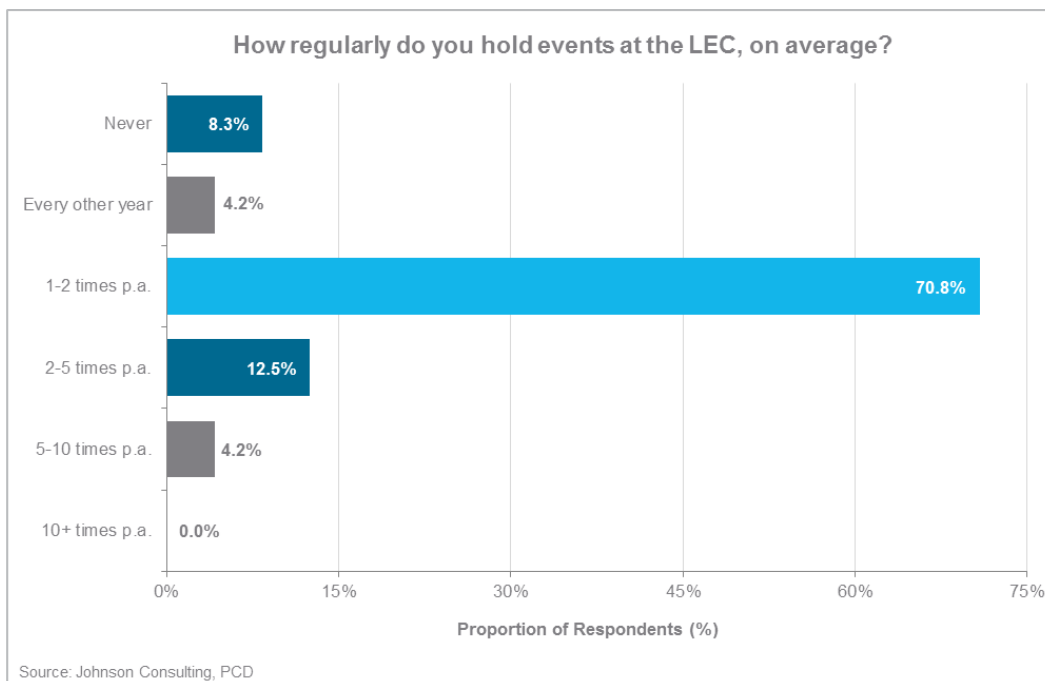
## SURVEY RESULTS

In order to further substantiate the level of facility usage and customer satisfaction at the Lane Events Center, Johnson Consulting and PCD conducted a survey of current and prior users of facilities at the LEC. Our survey instrument was developed utilizing a web-based program and was distributed electronically. The survey sent to each recipient was identical. The survey remained ‘active’ for a period of 3 weeks and we achieved a response rate of 45.0 percent. Industry standards dictate that a 10.0 percent response rate is generally representative for this type of analysis. As such, our sample size is considered to be statistically sound. Below is a summary of feedback provided to Johnson Consulting and PCD.

### UTILIZATION

Figure 5 - 2 provides a breakdown of how frequently respondents used the LEC for their event(s).

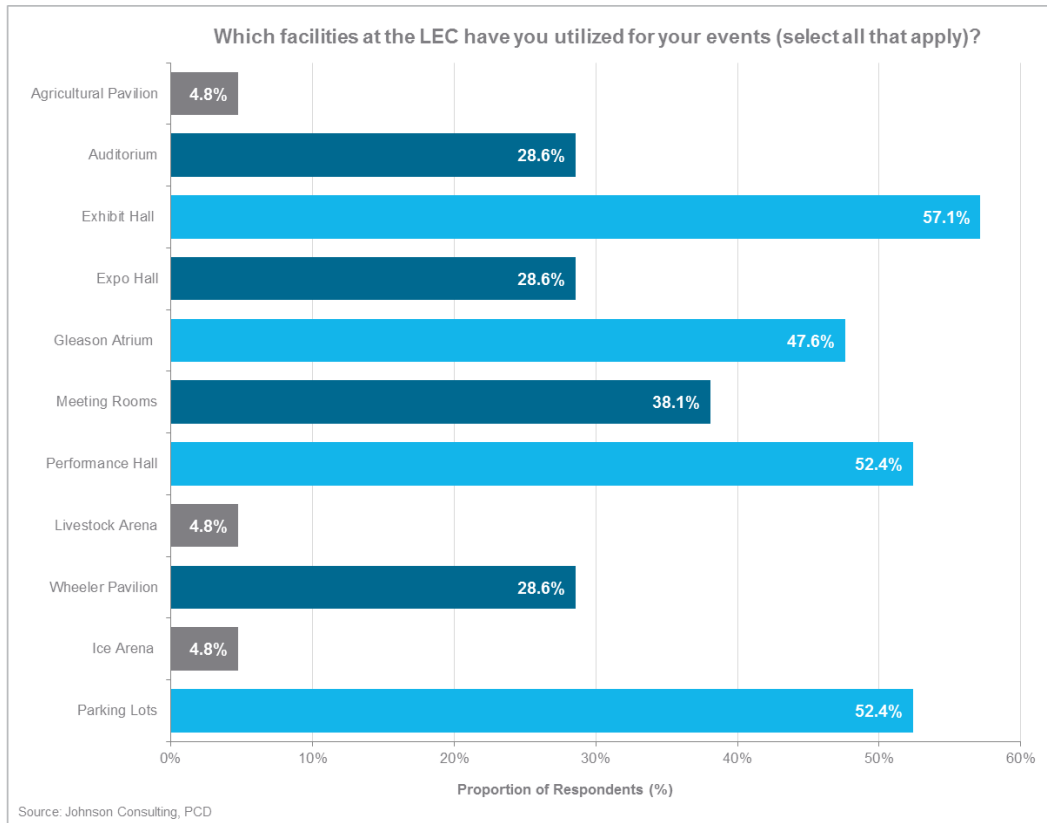
Figure 5 - 2



As shown, almost three-quarters of respondents (70.8 percent) hold events at the LEC, on average, 1-2 times per year. The next highest proportion of respondents hold events at the LEC 2-5 times per year (12.5 percent), followed by 8.3 percent who never hold events at the LEC and equal proportions of respondents (4.2 percent) who hold events every other year or hold between 5 and 10 events at the LEC annually. No respondents hold more than 10 events at the LEC on an annual basis.

Figure 5 - 3 shows the specific facilities at the LEC that have been utilized by survey respondents.

Figure 5 - 3

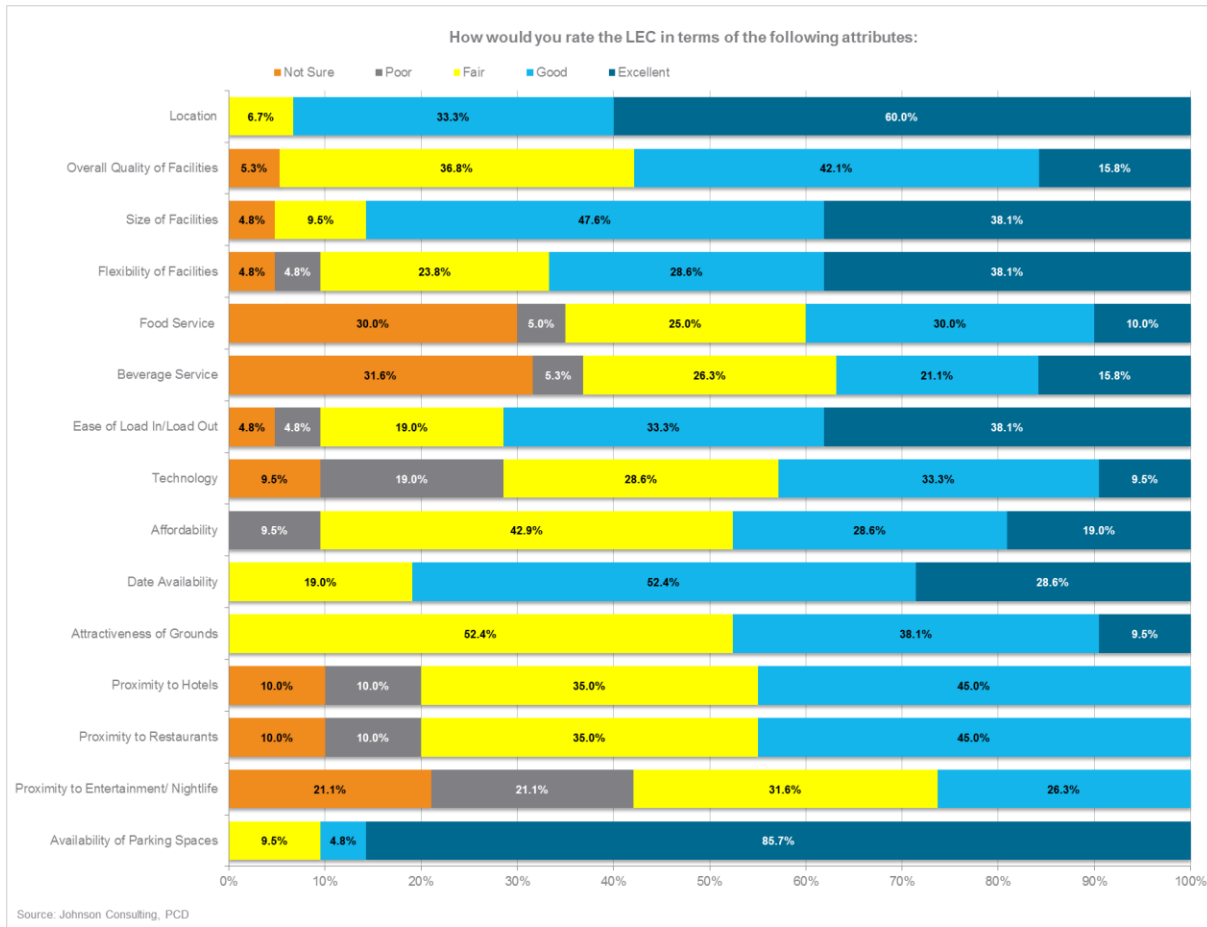


As shown, the most commonly used event spaces at the LEC are within the Convention/ Events Center, specifically the Exhibit Hall (utilized by 57.2 percent of respondents), the Performance Hall (52.4 percent), and Gleason Atrium (47.6 percent), along with the Parking Lots (52.4 percent). Conversely, the facilities that are utilized the least by survey respondents are the Agricultural Pavilion, Livestock Arena, and Ice Arena (all 4.8 percent). It is noted that this reflects utilization only by survey respondents and as such, may not necessarily correlate with occupancy data presented in the preceding section of this report.

### QUALITY AND ATTRACTIVENESS

Figure 5 - 4 provides a breakdown of the perceived attractiveness of the various facilities and attributes of the LEC.

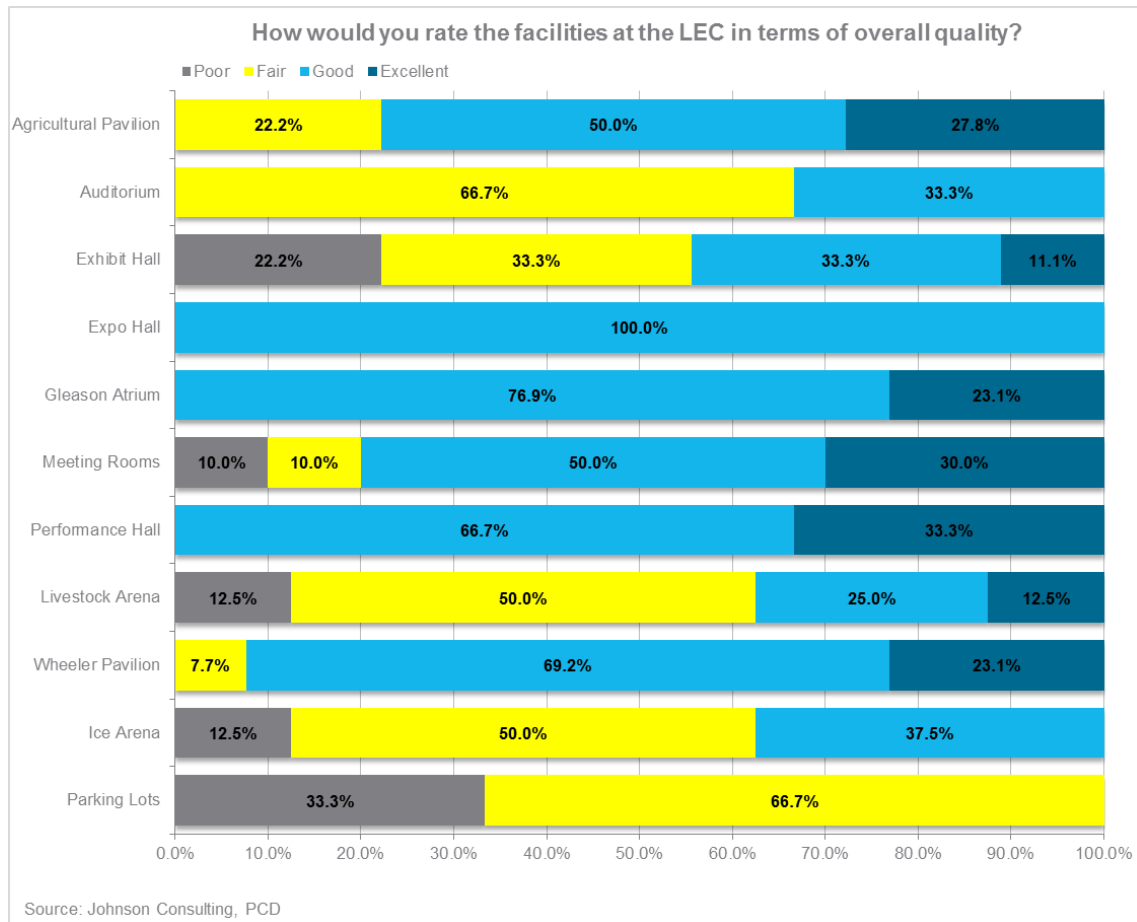
Figure 5 - 4



As shown, the attributes of the LEC that were rated most favorably among survey respondents include the Location (with 93.3 percent of respondents stating that the Location is ‘Good’ or ‘Excellent’), Availability of Parking Spaces (90.5 percent), Size of Facilities (86.7 percent), Date Availability (81.0 percent), and Ease of Load In/ Load Out (71.4 percent). In contrast, the preponderance of respondents rated various attributes of the LEC as ‘Poor’ or ‘Fair’ including Proximity to Entertainment/ Nightlife (52.6 percent of survey respondents), Attractiveness and Affordability (both 52.4 percent). Interestingly, almost equal portions of respondents rated Technology at the LEC as ‘Poor’ or ‘Fair’ (42.9 percent) or ‘Good’ or ‘Excellent’ (47.6 percent).

Figure 5 - 5 provides a breakdown of responses when survey recipients were asked to rate the quality of existing facilities and buildings at the LEC (excluding survey respondents who states that they were ‘Not Sure’ about the quality of the various facilities and buildings).

Figure 5 - 5

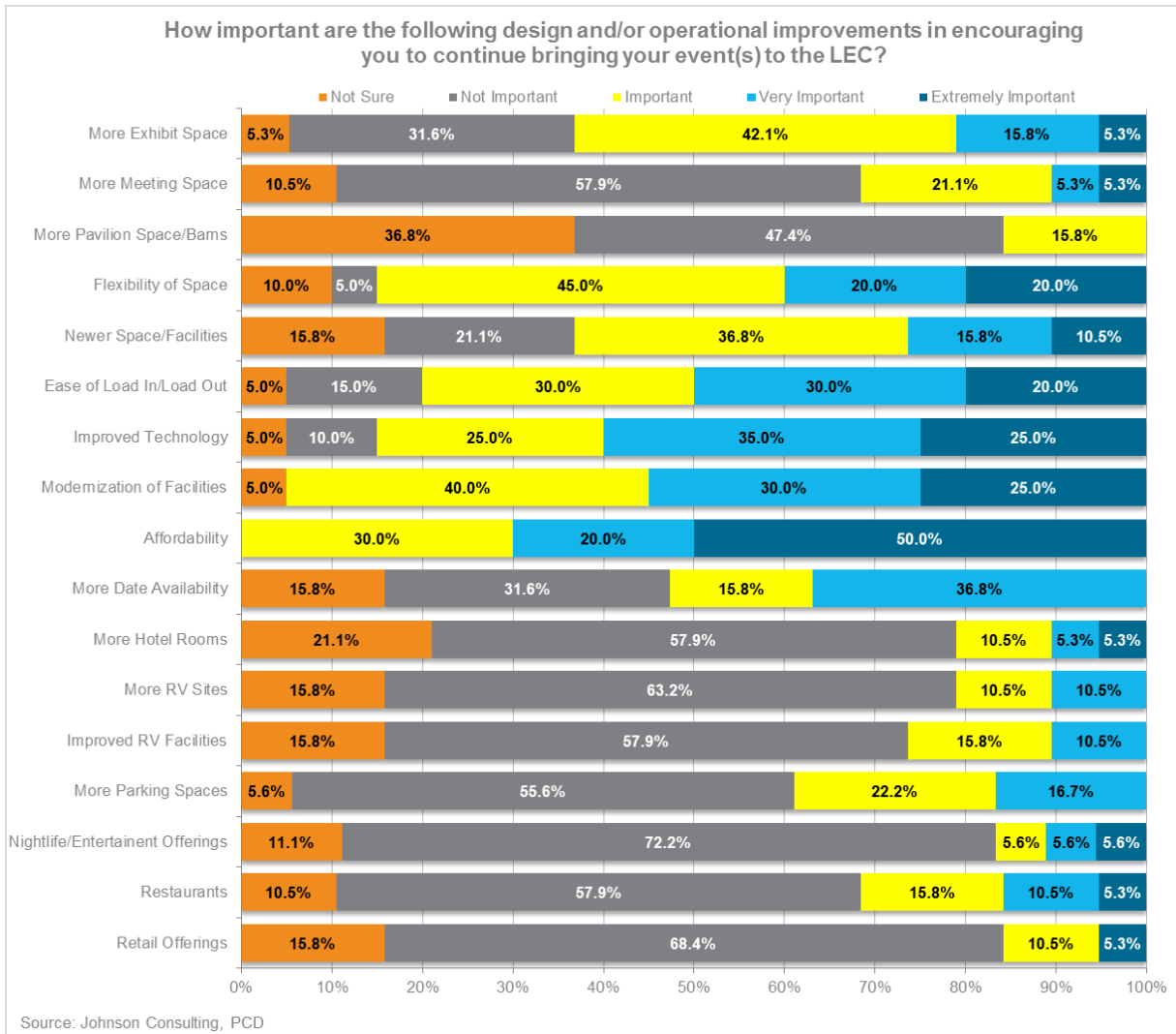


As shown, the highest ranked facilities at the LEC among survey respondents were the Performance Hall and Gleason Atrium (100.0 percent of respondents stated that the quality of these facilities were ‘Good’ or ‘Excellent’), along with the Expo Hall (100.0 percent of respondents stated that the quality of the Expo Hall was ‘Good’), Wheeler Pavilion (92.3 percent of respondents stated that the quality was ‘Good’ or ‘Excellent’), Meeting Rooms (80.0 percent), and Agricultural Pavilion (77.8 percent). In contrast, the preponderance of survey respondents stated that various facilities were either of ‘Poor’ or ‘Fair’ quality including the Parking Lots (100.0 percent of respondents), Auditorium (66.7 percent), Ice Arena (62.5 percent), Livestock Arena (62.5 percent), and the Exhibit Hall (55.6 percent).

### DESIRED IMPROVEMENTS

Figure 5 - 6 shows responses when survey recipients were asked about the importance of operational and/or design improvements in encouraging them to continue bringing their event(s) to the LEC.

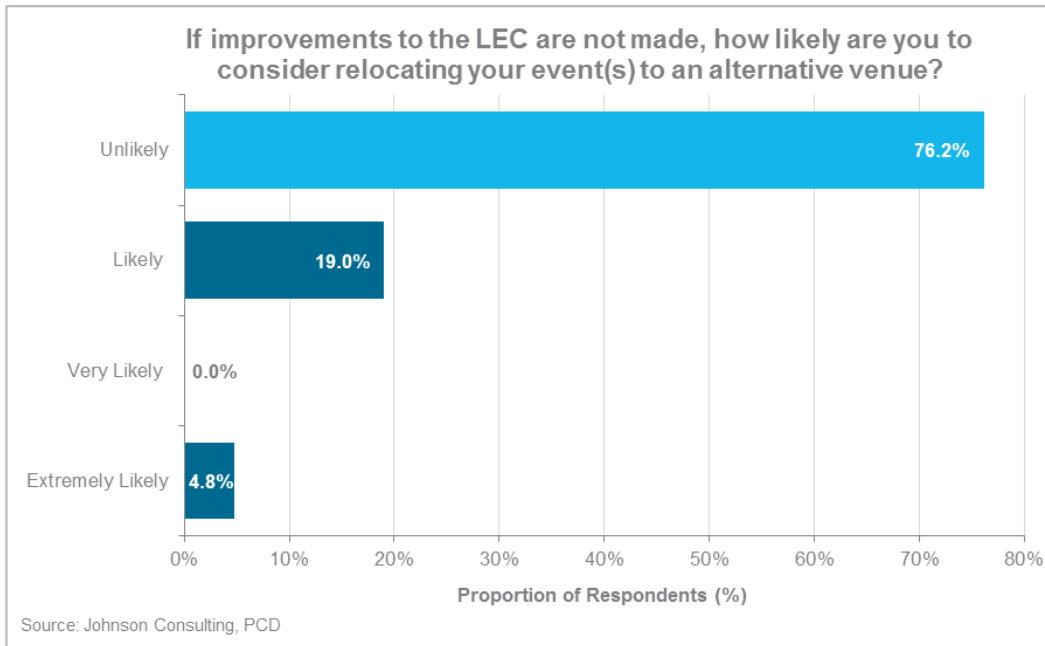
Figure 5 - 6



As shown, survey respondents identified the most important improvements to the LEC as Affordability (70.0 percent of respondents stated that Affordability is 'Very Important' or 'Extremely Important'), Improved Technology (60.0 percent) and Modernization of Facilities (55.0 percent). In contrast, the least important improvements were Nightlife/ Entertainment Offerings (72.2 percent of respondents stated that Nightlife/ Entertainment Offerings were 'Not Important'), Retail Offerings (68.4 percent), More RV Sites (63.2 percent), Restaurants (57.9 percent), Improved RV Facilities (57.9 percent), More Hotel Rooms (57.9 percent), and More Parking Spaces (55.6 percent).

Figure 5 - 7 shows responses when survey recipients were asked how likely they were to relocate their events if improvements are not made to the LEC.

Figure 5 - 7



Interestingly, more than three-quarters of survey respondents (76.2 percent) stated that they were unlikely to consider relocating their event(s) if various improvements (including those listed in Figure 5 - 6) are not made to the LEC. A further 19.0 percent stated that they are 'Likely' to relocate their events, and the remaining 4.8 percent indicated that they are 'Extremely Likely' to relocate their events if improvements to the LEC are not made.

### DEMAND POTENTIAL

Survey respondents were asked to opine on whether there is unmet demand for space at the LEC. More than three-quarters of respondents (77.8 percent) stated that they were 'Not Sure'. Of the remaining respondents, 75.0 percent thought there was unmet demand for space at the LEC. With specific regard to the potential for a new, purpose-built ice facility, more than two-thirds of survey respondents stated that they were 'Not Sure' about unmet demand. The remaining responses were split evenly between those who considered there to be unmet demand and those who did not.

### ADDITIONAL FEEDBACK

At the conclusion of the survey, respondents were asked which facilities, nationally, are best for their events and why. Several respondents stated that the LEC is the best facility for their event(s), due to availability of facilities with various sized spaces, and above average customer service and management. Alternative facilities that were identified included the Linn County Fairgrounds in Albany, OR, which offers



considerably newer facilities than the LEC, and the Deschutes County Fairgrounds and Expo Center in Redmond, OR, which is deemed to be highly accessible.

Throughout the survey, respondents were also invited to offer any additional comments related to the LEC. Key issues raised by respondents are summarized as follows, and many mirror the feedback received through our stakeholder interviews (as described above):

- There is a need for general maintenance, modernization, updates to quality and appearance, and technology enhancements across all buildings. Many of the buildings are outdated and the lack of HVAC presents a significant issue for event organizers.
- The addition of a small-to-medium sized space (12,000 to 20,000 SF) that is affordable, would appeal to current users of the LEC.
- Wayfinding could be improved, including enhanced signage across the site and directional signage inside the facilities.
- Other than the LEC, there are very few facilities in the local market capable of hosting events with 200+ attendees.
- The LEC has a very dedicated and efficient staff.

## OBSERVATIONS

The general consensus among survey respondents is that the LEC meets their needs, but could benefit from improvements to several of the facilities. Specifically, the modernization of facilities, improved technology offerings, and the addition of HVAC were identified as the most critical issues to ensure the LEC's continued success and maintained levels of customer satisfaction. These issues were echoed in Johnson Consulting's survey conducted of the general public in relation to the LEC (refer to Appendix B).

It is our assessment that the LEC cannot attract more conventions and tradeshow, and thus generate more room night demand and impact for the local market, without additional meeting room and ballroom space. An on-site hotel could provide supplemental space and would allow for better market penetration in these event categories.

More broadly, ice should be considered in the market, even if it is not on the LEC campus. The recreational value, possibility of club play for the University and ability to host a minor league team, all are relevant factors for Eugene and the County.

# RECOMMENDATIONS



## VISION

Lane County is at a crossroads. The community has no competitive convention center, and while the LEC is strategically located in downtown Eugene and is the largest event venue in the local market, it has substantial deferred maintenance and cannot function as a true convention facility. Three interrelated issues face the LEC:

1. The LEC is located in the downtown core, but the two blocks that separate the LEC from the first commercial development create both a physical and a perceived separation from downtown. While the downtown area is continuing to expand towards the LEC, natural trends alone will take substantial time to make these connections more practical and attractive. Tactical zoning policy along 13<sup>th</sup> Avenue, along with streetscaping, plantings, signage and art, and enhancements to make the LEC a more attractive destination to both locals and downtown visitors, will make the distance seem shorter.
2. The nature of the complex today serves events that have historically been or want to be in the market. Customers choose the LEC because it meets their needs in a market that offers limited choices. Maintenance and technological upgrades, along with additional meeting space, would enhance the offerings for existing events and also for expansion into state and national markets. The key deficits relate to the organization of the Convention/ Events Center, specifically the main exhibit hall and its concourses and support areas. If it is to compete with convention centers that have national reach the complex needs substantial meeting and ballroom space added.
3. Combined with a desire for improved exhibit and meeting space, supplemented by ballroom space, a lack of available hotel rooms is the number one reported reason that conventions and tradeshow are lost from the LEC. A hotel on the LEC site will struggle until improvements to the LEC are made and connectivity to downtown is improved. Meanwhile, the Graduate Hotel, which is one of the closest properties to the LEC, is regularly full hosting its own business, so hotels serving an improved LEC will be essential in the mid- to long-term if the venue is to succeed.

With these 3 issues in mind, the County faces the classic debate: Do they invest in the LEC; Do they do nothing; or Do they wait to see if other communities (Springfield for example) build their own convention center despite knowledge of their limited resources. In our professional experience in Oregon and the Pacific Northwest, it will be difficult to advance a new convention center in the region, but communities will continue to try. Notwithstanding this, the LEC is so well located in proximity to downtown Eugene, it can play a much more substantial role in its market by de facto becoming the area's improved event center and the market's convention center.

The County has completely restructured the LEC's organization to be much more business-minded, customer-focused and fiscally responsible. The organizational and operational structure now exists to serve events, but the physical offerings need to be substantially enhanced to allow the LEC to continue serving

the hundreds of events and almost 1.0 million visitors it attracts to the region, many from outside of Lane County, and position it to create an even greater impact.

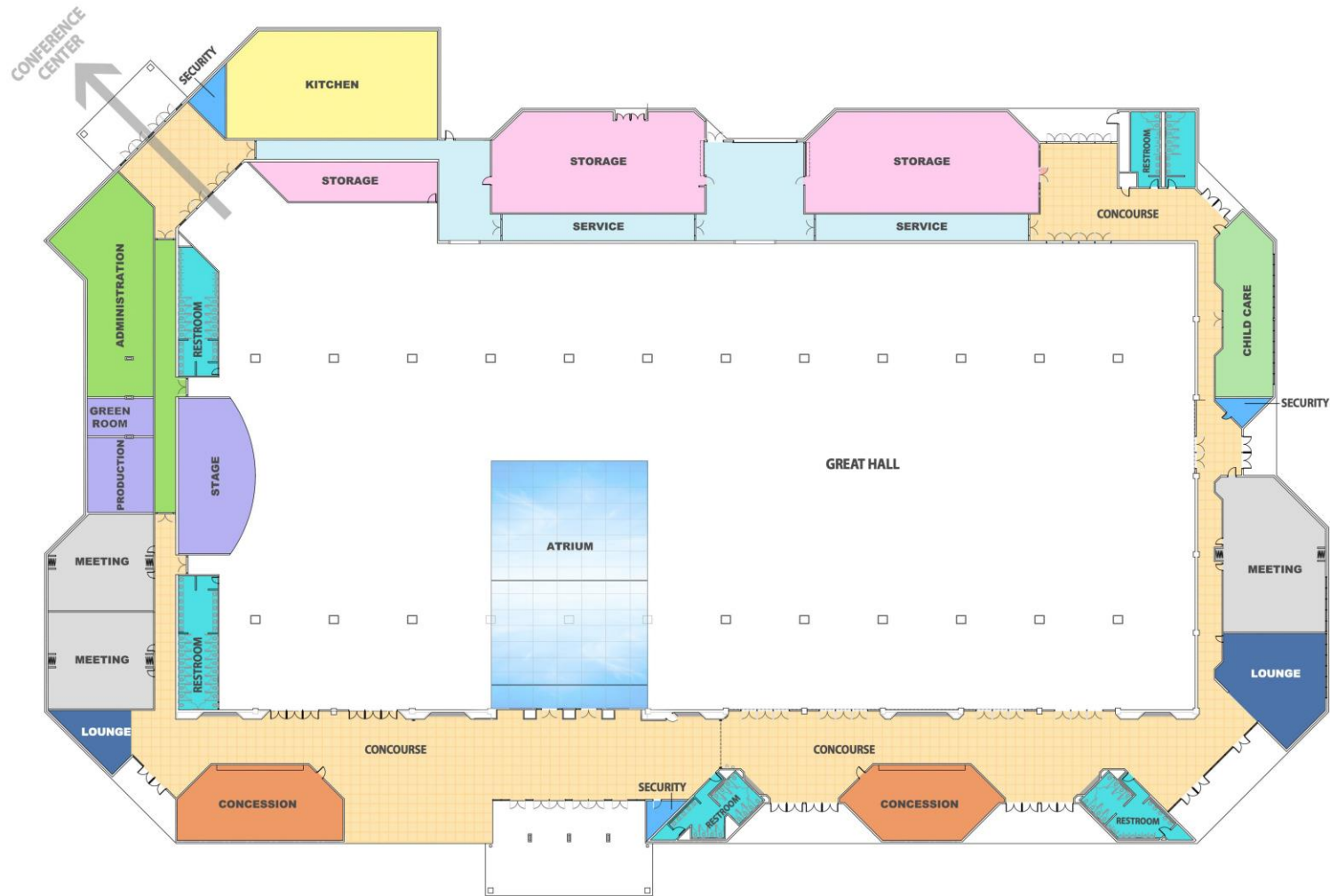
## FACILITY PROGRAM RECOMMENDATIONS

Based upon the research and analyses presented in prior sections of this report, Johnson Consulting and PCD have prepared independent recommendations for improvements to the LEC. At this stage of our analysis, our recommendations focus on broad themes and master planning opportunities to support and enhance the LEC's role as a year-round community and regional asset. We also make recommendations that will modify the LEC to grow and expand its business. These improvements should form the foundation of a master plan for the venue as they will create efficiencies for individual buildings and the overall grounds, and help increase the number of events and visitors attracted to the campus. Specifically, the following facility program enhancements are recommended:

- **GENERAL GROUNDS IMPROVEMENTS:** The LEC must become an attractive edge to downtown. It should be viewed as a regional park serving residents and businesses located immediately in the downtown core and the surrounding areas. Upgrades to the overall campus should include improved wayfinding to the site, and within the site, by providing easy to read, and easy to see signage; Improved green space will improve the overall attractiveness of the campus and create space for outdoor events; and increased tree and garden plantings will provide shade for outdoor activities and soften the building facades. Pedestrian links from downtown, with special street and sidewalk art and landscaping programs, are needed.
- **CONVENTION/ EVENTS CENTER IMPROVEMENTS:** The Convention/ Events Center is the workhorse of the campus but, from a competitive standpoint, it is not very functional. The interior of the Exhibit Hall and Performance Hall need to be fully refreshed and the protruding kitchen needs to be removed so the space can be rented contiguously as a 'Grand Hall' or in two or three sections. Further, a redesign is needed to enhance and create concourses, reconfigure entrances and exits and create primary points of access, provide a dedicated service area, improve the functionality of meeting and breakout space, create additional lounge space and a green room to support events, provide supplemental restroom facilities, and provide for much better circulation. The new design should also incorporate dedicated security offices and relocate the administrative office to provide for better customer interface. The northeast corner of the concourse of the refreshed Grand Hall should contemplate an extruded concourse connecting to a new meeting and ballroom complex, placed between the Convention/ Events Center and the targeted location of the proposed hotel, as discussed below. Figure 6 - 1 provides a preliminary concept for potential improvements to the Convention/Events Center. **It is noted that the building modifications are shown for discussion purposes only. The feasibility and practicality of these changes must be vetted by thorough building engineering and architectural analysis.**



Figure 6 - 1



- **SUPPLEMENTAL MEETING SPACE:** Given the high cost associated with reconfiguring the meeting space at the Event Center, it is recommended that additional meeting space be newly developed on the campus. An additional  $\pm 15,000$  SF of meeting space, along with a  $\pm 20,000$  to 25,000 SF dedicated ballroom, would greatly enhance the appeal of the LEC for a variety of event types, current and new.

The ideal location of the supplemental meeting and ballroom space would be adjacent to the Convention/Events Center, perhaps adjoining a new hotel to be attracted to the northeast edge of the site. Given the number of recently completed, and currently under construction, hotel projects in the Eugene market, there is considered to be limited opportunity for additional new hotel properties over the short- to medium-term, especially if there is no policy to better link the LEC site to downtown. Notwithstanding this, a limited inventory of hotels within walking distance of the LEC and the ability to capitalize on the expansion of downtown may present an opportunity for a hotel property ( $\pm 150$  rooms) on the campus, subject to some form of County incentives to attract a private developer. It is recommended that the County undertake a formal procurement process to gauge and solicit interest from the hotel community.

- **INCREASED ARENA FLEXIBILITY:** As a priority, the main arena dirt floor of the Livestock Arena should be replaced with a concrete floor to enhance the flexibility and usability of the Arena. Additional improvements to the Arena building are recommended in supplemental phases. At this time, we have not prepared concept plans for these improvements, however it is recommended that the Arena floor be adapted to allow for flat floor shows and sports. Subject to design and physical building parameters, it is expected that the Arena could accommodate approximately 6 basketball courts which could be converted into 9 volleyball courts. This would support youth sports and local league play and could allow the LEC to attract a small number of local and regional tournaments. Dirt flooring could also be brought in for Ag and animal events, including during the Fair, as needed.

As it relates to the Ice Arena, there may also be potential to repurpose the space to allow for greater flexibility, additional revenue generation for the LEC and room night demand for area hotels. It is similarly sized to the Livestock Arena so if redesigned to allow it to accommodate basketball and volleyball courts, this would create the critical mass necessary to attract additional local and regional tournaments to the LEC. Again, this is subject to detailed design development and exploration of the physical parameters of the existing Arena building.

- **NEW RV CAMPGROUND:** Improved and additional RV sites present synergistic opportunities with the overall campus and the mission of the LEC, will generate additional revenues to support operations and capital improvements, and serve to support and grow current events and attract new events to the LEC. Figure 6 - 2 shows preliminary recommendations for the layout of the improved and additional RV sites.

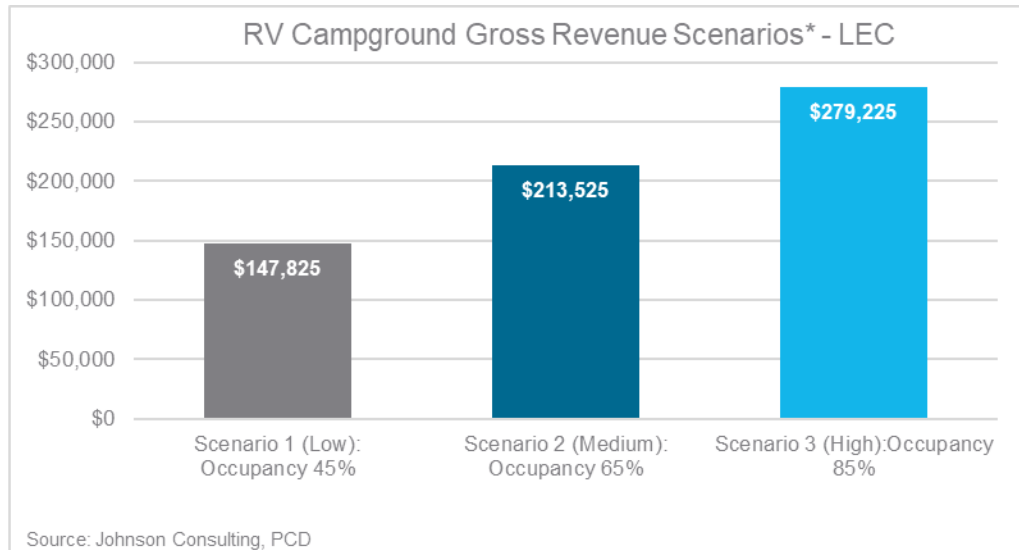


Figure 6 - 2



Although there were varying opinions regarding an improved RV Campground from survey respondents and other stakeholders, it is our experience and recommendation that this is an effective means to generate additional revenue for deferred maintenance and capital improvements at a relatively low cost to the County. Figure 6 - 3 provides a high level analysis of the revenue potential from an improved RV Campground at the LEC, assuming a total of 30 full hook-ups and an average rate of \$30 per day (reflecting rates at comparable regional facilities), based upon varying occupancy scenarios ranging from 45.0 percent (low occupancy scenario) to 85.0 percent (high occupancy scenario).

Figure 6 - 3



As shown, the gross revenue potential of an improved RV Campground is estimated to range from \$147,826 (low scenario) to \$279,225 (high scenario) in a typical year. Assuming an average development cost of between \$6,000 and \$8,000 per site, based upon current industry standards, the total project cost is estimated to range from \$180,000 to \$240,000. This suggests that the revenue-generating potential of an improved RV Campground would effectively cover the development cost, under any occupancy scenario, within 1 to 2 years.

As it relates to the contemplation of affordable housing on the LEC campus, we do not recommend that this land use be incorporated on the site identified for an RV Campground, nor any other portion of the campus. Affordable housing will not generate any revenues to support and enhance the LEC.



Figure 6 - 4 provides a preliminary concept for potential improvements to the LEC grounds.

Figure 6 - 4



## STRATEGY RECOMMENDATIONS

The LEC has the potential to become much more of an amenity for Lane County. Combined with City resources, the LEC can become more of an extension of downtown Eugene, through the implementation of landscaping, transit and other physical connectivity strategies. It can also become the region's de facto convention center. It is expected that projects proposed in Springfield and the surrounding region may still evolve, but their role will be oriented towards smaller events, in part reflecting funding challenges in Oregon generally. No other venue will offer the amount of space as at the LEC.

To create the “gravity” required to link downtown to the site, the edge closest to the downtown core should be used for a proposed hotel, and possibly a new ice arena, offering two sheets. This could be integrated into the hotel. It is envisaged that the hotel would be developed as a public-private partnership (P3), with the private sector responsible for developing and operating the property. A future ice arena could be a community/ University project that could serve to increase activity at the LEC and this edge of downtown.

## MARKETING PLAN

In our judgement, the LEC marketing team is effective in selling the facilities that are available at the complex and that the appropriate markets are being targeted. In many markets, other organizations, such as Convention and Visitors Bureaus (CVB) also play an active role in the marketing of community facilities. If the strategy is to upgrade the facilities at the LEC and attract a hotel, TLC, in addition to the LEC's marketing team, must communicate and sell to a strategy that encourages more conventions and trade shows at the complex.

The specific marketing strategy for the LEC changes depending on improvements made. If the Convention/ Events Center is modernized and upgraded and meeting and ballroom space is added, along with a future hotel, the community can officially enter the convention and tradeshow market. If capital investment is limited, the venue cannot shift its demand paradigm and the outcome will be retention of business and the attraction of few new events and very few conventions and tradeshow, if any. The ultimate physical product defines what types and scale of events will be attracted. Any compromise in investment will result in slight improvements in demand and better customer service but no shifts in demand potential.

There are several categories of events that an improved LEC should target:

1. **BUSINESS TO BUSINESS:** Predominantly conventions and tradeshow. These events are most influenced by the quality and amount of meeting and ballroom space, along with hotel supply. The LEC currently attracts occasional events or events like the Oregon Logging Conference, which has a long-established history of being held in Eugene and requires a facility as large as the LEC. To attract these events, both the TLC and the Center must sell conventions and tradeshow by direct selling to state, regional and national associations, local corporations and conferences that align

with the University's strengths and the area's economic clusters. There will have to be dedicated team members at the LEC and TLC. Supplemental trade advertising, improved communication between the TLC, the LEC, area hotels that house conferences, convention and trade shows, and the University's event staff all should participate in regular meetings to identify dates that could be sold to these event types. Strategies to be employed are:

- **DEFINE TARGET MARKETS:** Key target markets for an improved LEC include groups in both geographic and categorical market segments, including:
    - Geographic: Portland, OR; Salem, OR; San Francisco, CA; Los Angeles, CA; and Chicago, IL (direct flight).
    - Market Segment: State Association, National Association, Corporate, Government, University, Sports, and SMERF.
  - **SALES OBJECTIVES:** Develop short term goals for LEC target list accounts; Host Client events in target markets highlighting the LEC; Utilize County/LEC and TLC incentive funds to confirm new business; Continued in-person sales calls that promote the LEC by all sales managers; Concentrate on Sunday through Thursday business to maximize room nights and LEC usage; Target citywide groups that increase the usage of multiple hotels and cause compression; Enhance destination services offerings to help sell, fulfill expectations for client and facilitate repeat bookings
  - **MARKETING COMMUNICATION OBJECTIVES:** Increase awareness of the Eugene and the LEC and its amenities; Highlight the LEC's proposed and implemented technological advancements and state-of-the-art facilities; Consistently update trade media on new features of the LEC plus new attractions, events and other developments that could increase the attractiveness of hosting an event in the market; Incorporate the LEC into existing and new social media marketing initiatives on Facebook, LinkedIn, Twitter, and YouTube; Produce a video library with client testimonials and destination activities; Include trade media in invitations to yearly media familiarization tours; Promote "insider tips" to divulge unknown information for meeting planners and drive visitation to the LEC website.
2. **BUSINESS TO CONSUMER-** This is the type of business that the LEC already books. It is businesses selling to consumers at consumer shows, some trade shows, festivals and special events. Better facilities will induce new events to be attracted to the complex. As it relates to sports, the Eugene, Cascades & Coast Sports Commission has a robust marketing plan that can serve to support the LEC in attracting more sports events to the campus if the right facilities are offered.
  3. **SOCIAL BUSINESS-** If meeting and ballroom space is added, with or without a hotel in the short-term, substantial food and beverage events and corporate events will use the venue. These types of events will not come to the complex without improved facilities. Social business is local in nature and will require the venue to solicit these events aggressively.

## CONCLUSION

Based upon our assessment of the local and regional markets, as well as our analysis of competitive and comparable facilities, it is our opinion that significant investment should be made into existing facilities and the overall campus. This investment will help to advance the long-term attractiveness of the LEC and the County from an economic development perspective.

# DEMAND AND OPERATING PROJECTIONS



## DEMAND AND OPERATING PROJECTIONS

Johnson Consulting and PCD have developed demand and operating projections for an improved LEC, pursuant to the proposed building and grounds improvements described in the preceding section of this report.

### PROJECTED EVENTS

Improvements to the LEC campus will be designed to be sufficiently flexible to continue accommodating the needs of numerous diverse entities. Figure 7 - 1 shows the current (2019) and projected event schedule, by event type, at an improved LEC over a 10-year period. It is noted that Year 1 assumed that all recommended improvements have been completed, and may occur several years after 2019.

Figure 7 - 1

Lane Events Center Historical and Projected Events											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	17	17	18	19	20	21	21	21	21	21	21
Lane County Fair	1	1	1	1	1	1	1	1	1	1	1
Other Fair/ Festival	6	6	6	7	7	8	8	8	8	8	8
Retail*	48	50	52	54	56	58	58	58	58	58	58
Animal Show**	9	9	9	10	10	11	11	11	11	11	11
Meeting	14	14	16	18	20	22	22	22	22	22	22
Banquet	9	9	10	11	12	13	13	13	13	13	13
Concert	2	3	4	5	6	7	7	7	7	7	7
Sports	4	7	7	8	8	9	9	9	9	9	9
Miscellaneous	1	6	7	8	9	10	10	10	10	10	10
<b>TOTAL</b>	<b>111</b>	<b>122</b>	<b>130</b>	<b>141</b>	<b>149</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>

*\*Including Consumer and Public Show*  
*\*\*Largely occurring in the Livestock Arena*  
 Source: LEC, Johnson Consulting, PCD

The LEC is projected to host 122 events in Year 1, increasing to and stabilizing at 160 events in Year 5. The most significant increase over current demand is projected in the Convention/ Tradeshow, Retail (Consumer/ Public Show), Meeting, and Banquet categories, reflecting the addition of meeting and ballroom space, improvements to the Convention/ Events Center and enhancements to the Livestock Arena to allow it to function as a true multi-purpose space. Projections relating to Miscellaneous events reflect the historic average reported at the LEC.

### PROJECTED EVENT DAYS

Figure 7 - 2 shows the current (2019) and projected event days, by event type, at an improved LEC over a 10-year period. As shown, the LEC is projected to record 578 event days in Year 1, increasing to and stabilizing at 711 event days in Year 5.



Figure 7 - 2

Lane Events Center Historical and Projected Event-Days											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	69	74	79	84	88	93	93	93	93	93	93
Lane County Fair	5	5	5	5	5	5	5	5	5	5	5
Other Fair/ Festival	75	75	75	88	88	100	100	100	100	100	100
Retail*	233	243	252	262	272	282	282	282	282	282	282
Animal Show**	30	30	30	33	33	37	37	37	37	37	37
Meeting	21	21	24	27	30	33	33	33	33	33	33
Banquet	19	19	21	23	25	27	27	27	27	27	27
Concert	4	6	8	10	12	14	14	14	14	14	14
Sports	10	18	18	20	20	23	23	23	23	23	23
Miscellaneous	85	87	88	94	97	98	98	98	98	98	98
<b>TOTAL</b>	<b>551</b>	<b>578</b>	<b>600</b>	<b>645</b>	<b>670</b>	<b>711</b>	<b>711</b>	<b>711</b>	<b>711</b>	<b>711</b>	<b>711</b>

\*Including Consumer and Public Show

\*\*Largely occurring in the Livestock Arena

Source: LEC, Johnson Consulting, PCD

## ATTENDANCE

Figure 7 - 3 shows the current (2019) and projected attendance, by event type, at an improved LEC over a 10-year period. As shown, the LEC is projected to attract 447,288 attendees in Year 1, representing an increase of 8.4 percent over 2019 attendance, increasing to 655,802 attendees in Year 5 and to 689,255 attendees in Year 10.

Figure 7 - 3

Lane Events Center Historical and Projected Attendance											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	98,150	118,508	128,366	138,544	149,043	159,863	161,461	163,076	164,706	166,354	168,017
Lane County Fair	112,700	110,540	110,540	110,540	110,540	110,540	111,645	112,762	113,889	115,028	116,179
Other Fair/ Festival	36,650	38,810	52,999	92,577	108,793	154,452	155,997	157,557	159,132	160,724	162,331
Retail*	134,900	140,521	143,307	145,876	148,226	150,359	151,862	153,381	154,915	156,464	158,029
Animal Show**	7,500	10,063	10,791	12,799	13,608	15,858	16,017	16,177	16,339	16,502	16,667
Meeting	5,945	5,945	6,794	7,644	8,493	9,342	9,436	9,530	9,625	9,721	9,819
Banquet	5,350	4,239	4,745	5,259	5,779	6,307	6,370	6,433	6,498	6,563	6,628
Concert	2,225	3,735	5,485	7,488	9,743	12,250	12,373	12,496	12,621	12,747	12,875
Sports	9,000	8,140	10,043	13,651	15,826	20,250	20,453	20,657	20,864	21,072	21,283
Miscellaneous	250	6,787	8,844	11,162	13,742	16,582	16,747	16,915	17,084	17,255	17,427
<b>TOTAL</b>	<b>412,670</b>	<b>447,288</b>	<b>481,914</b>	<b>545,539</b>	<b>583,792</b>	<b>655,802</b>	<b>662,360</b>	<b>668,984</b>	<b>675,674</b>	<b>682,430</b>	<b>689,255</b>

\*Including Consumer and Public Show

\*\*Largely occurring in the Livestock Arena

Source: LEC, Johnson Consulting, PCD



## OPERATING PROJECTIONS

Consistent with the discussions presented in Section 4 of this report, in which event demand, occupancy, and attendance for the Lane County Fair and the non-Fair events are evaluated separately, the following financial projections are also discussed separately for the Fair and non-Fair events. At the conclusion of this section, a combined proforma for the overall operation is presented.

The projections are based upon historic operating statements and statistics for the LEC, adjusted as appropriate to recommended improvements. The projections use accrual-based accounting, wherein revenues are recognized when they are earned and expenses are recognized when they are incurred. Revenues include all revenues generated by the LEC that can be used for operations. All revenues and expenses are inflated at a 3.0 percent annual rate, unless otherwise specified.

### LANE COUNTY FAIR ONLY

Figure 7 - 4 shows the current (2019) and projected operating statement for the Lane County Fair only, for the first 10 years of operation following completion of all recommended improvements to the LEC.

Figure 7 - 4

Lane Events Center Historical and Projected Statements of Revenues and Expenses (\$000) - Lane County Fair Only											
	2019	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Operating Revenues</b>											
Building Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Fair	1,223	1,365	1,406	1,448	1,491	1,536	1,598	1,663	1,730	1,799	1,872
F&B	56	60	62	64	66	68	71	74	77	80	83
Equipment Rental	4	4	4	4	5	5	5	5	5	5	5
Miscellaneous	62	60	61	63	65	67	70	73	75	79	82
<b>Total Operating Revenues</b>	<b>\$1,344</b>	<b>\$1,489</b>	<b>\$1,534</b>	<b>\$1,580</b>	<b>\$1,627</b>	<b>\$1,676</b>	<b>\$1,743</b>	<b>\$1,814</b>	<b>\$1,887</b>	<b>\$1,963</b>	<b>\$2,042</b>
<b>Expenses</b>											
Personnel and Fringe	\$291	\$318	\$328	\$337	\$347	\$358	\$369	\$380	\$391	\$403	\$415
Materials and Services	928	1,014	1,044	1,075	1,108	1,141	1,175	1,210	1,247	1,284	1,322
Reserves	0	13	14	14	15	15	16	16	17	17	18
<b>Total Expenditures</b>	<b>\$1,219</b>	<b>\$1,345</b>	<b>\$1,385</b>	<b>\$1,427</b>	<b>\$1,470</b>	<b>\$1,514</b>	<b>\$1,559</b>	<b>\$1,606</b>	<b>\$1,654</b>	<b>\$1,704</b>	<b>\$1,755</b>
<b>Net Operating Income (Loss)</b>	<b>\$125</b>	<b>\$144</b>	<b>\$148</b>	<b>\$153</b>	<b>\$158</b>	<b>\$162</b>	<b>\$184</b>	<b>\$208</b>	<b>\$233</b>	<b>\$259</b>	<b>\$287</b>
<b>Non-Operating Revenue and Transfers</b>											
Non-Operating Revenue	\$53	\$58	\$60	\$62	\$64	\$65	\$67	\$69	\$71	\$74	\$76
Transfers	na	na	na	na	na	na	na	na	na	na	na
<b>Total</b>	<b>\$53</b>	<b>\$58</b>	<b>\$60</b>	<b>\$62</b>	<b>\$64</b>	<b>\$65</b>	<b>\$67</b>	<b>\$69</b>	<b>\$71</b>	<b>\$74</b>	<b>\$76</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$179</b>	<b>\$202</b>	<b>\$208</b>	<b>\$215</b>	<b>\$221</b>	<b>\$228</b>	<b>\$252</b>	<b>\$277</b>	<b>\$304</b>	<b>\$333</b>	<b>\$363</b>

\*Reflecting the first full year of an improved operation, which may be a number of years after 2019.

Source: LEC, Johnson Consulting, PCD

As shown, in the first full year of operation following completion of all recommended improvements (Year 1) the Lane County Fair is projected to generate close to \$1.5 million in total operating revenues and incur \$1.3 million of expenditures resulting in an operating income of \$144,000, before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, the Lane County Fair is projected to report revenues of \$202,000.

In a stabilized year of operation (assumed to be Year 5), operating revenues from the Lane County Fair are projected to amount to \$1.6 million and operating expenditures to \$1.5 million, resulting in a net operating income of \$162,000, before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, the Lane County Fair is projected to report revenues of \$228,000.

These projections represent an improvement over 2019, when the Lane County Fair was estimated to achieve a net operating income of \$125,000 and \$179,000 in total revenues after accounting for non-operating revenues and expenses. The fact that the increase in Fair revenues is modest reflect an already successful and profitable Fair operation and the fact that the recommended improvements to the LEC campus are geared towards increasing year-round utilization and overall impact to the market.

The assumptions and methodology used to estimate the financial performance of the Lane County Fair are described in the following subsections.

## REVENUE ASSUMPTIONS

Figure 7 - 5 summarizes the assumptions utilized for projecting the operating revenues for the Fair.

Figure 7 - 5

Lane Events Center Revenue Assumptions for Lane County Fair Only				
	5-yr Average Base	2019 Base	Year 1* Base	Unit
<b>Operating Revenues</b>				
Building Rental	na	na	na	
Annual Fair	\$10.28	\$10.85	\$11.30	per attendee
F&B	\$0.45	\$0.49	\$0.50	per attendee
Equipment Rental	\$184	\$764	\$770	per event-day
Miscellaneous	3.0%	4.6%	4.0%	of total
<b>Total Operating Revenues</b>	<b>\$1,225,453</b>	<b>\$1,344,083</b>		
<b>Non-Operating Revenue and Transfers</b>				
Non-Operating Revenue	\$52,726	\$53,167	\$53,200	annually
Transfers	na	na	na	
<b>Total</b>	<b>\$52,726</b>	<b>\$53,167</b>		

\*In today's dollars.

Source: LEC, Johnson Consulting, PCD

- **BUILDING RENTAL:** Includes the temporary rental facilities at the LEC for events and does not apply to the annual County Fair.
- **ANNUAL FAIR:** The projections conservatively assume revenues of \$11.30 per attendee, compared to \$10.85 per attendee in 2019 and an average of \$10.28 per attendee between 2015 and 2019. It is, however, anticipated that Fair attendance and associated revenues will increase upon improvements to the grounds and facilities.
- **FOOD AND BEVERAGE:** Based upon per capita food and beverage revenues, which are estimated to equate to \$0.50 per attendee in 2019 and averaged \$0.45 per attendee over the past 5 years. The projections conservatively assume that food and beverage revenues will remain at \$0.50 per attendee.
- **EQUIPMENT RENTAL:** Estimated at \$764 per event day in 2019. The projections assume that revenues from equipment rental will average \$770 per event day related to the Fair following improvements to the LEC.
- **OTHER REVENUE:** Based on current operations, this revenue category reflects 3.6 percent of total revenue in 2019 and averaged 2.5 percent of total Fair revenues between 2015 and 2019. In the interest of being conservative, the projections assume that other revenue will account for 4.0 percent of total revenue going forward.

- NON-OPERATING REVENUE AND TRANSFERS:** Non-operating revenues and transfers include various sub-accounts, such as transient room tax, miscellaneous taxes, sale of capital assets, scrap metal sales, miscellaneous sales, State ODA funds, interest earnings, and intrafund transfers, among others. The amounts allocated to the LEC vary significantly year-on-year. As such, and in the interest of remaining conservative, the projections assume that non-operating revenues and transfers will remain at similar levels going forward.

**EXPENSE ASSUMPTIONS**

Figure 7 - 6 summarizes the assumptions utilized for projecting operating expenses related to the annual County Fair at the LEC.

**Figure 7 - 6**

Lane Events Center Expense Assumptions for Lane County Fair Only				
	5-yr Average Base	2019 Base	Year 1* Base	Unit
<b>Expenses</b>				
Personnel and Fringe	\$174,616	\$291,209	\$291,000	annually
Materials and Services	\$905,452	\$927,515	\$927,500	per event
Reserves	na	na	1.0%	of total revenue
<b>Total Expenditures</b>	<b>\$1,080,069</b>	<b>\$1,218,723</b>		

*\*In today's dollars.*

*Source: LEC, Johnson Consulting, PCD*

- PERSONNEL AND FRINGE:** Given our assessment of current staffing at the LEC, it is assumed that staffing for the Fair will remain consistent with 2019 levels.
- MATERIALS AND SERVICES:** Reflects all expenses related to the operation of the facilities at the LEC during the Fair. Based on the current operations for 2019, such expenses are estimated to be \$927,515, which is higher than the 5-year average from 2015 to 2019 of \$905,452. The projections assume materials and services expenses of \$927,500 related to the Fair.
- RESERVES:** There is no allowance for reserves in the current LEC operating statement. The projections include an allowance equal to 1.0 percent of total Fair revenues to be set aside for reserves.

**NON-FAIR EVENTS**

Figure 7 - 7 shows the current (2019) and projected operating statement for non-Fair events during the first 10 years of operation following completion of all recommended improvements.

Figure 7 - 7

Lane Events Center Historical and Projected Statements of Revenues and Expenses (\$000) - Non-Fair Events											
	2019	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Operating Revenues</b>											
Building Rental	\$944	\$1,157	\$1,240	\$1,374	\$1,469	\$1,607	\$1,655	\$1,705	\$1,756	\$1,809	\$1,863
Annual Fair	0	0	0	0	0	0	0	0	0	0	0
F&B	83	184	209	252	283	335	349	363	377	393	409
Equipment Rental	234	344	369	408	437	478	492	507	522	538	554
Miscellaneous	220	313	343	392	427	482	499	516	534	552	571
<b>Total Operating Revenues</b>	<b>\$1,480</b>	<b>\$1,999</b>	<b>\$2,160</b>	<b>\$2,426</b>	<b>\$2,616</b>	<b>\$2,903</b>	<b>\$2,995</b>	<b>\$3,091</b>	<b>\$3,189</b>	<b>\$3,291</b>	<b>\$3,397</b>
<b>Expenses</b>											
Personnel and Fringe	\$1,027	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469
Materials and Services	1,289	1,502	1,608	1,782	1,906	2,085	2,147	2,212	2,278	2,347	2,417
Capital Projects/Outlay	107	55	56	58	60	61	63	65	67	69	71
Other Expenditures	21	28	29	31	33	35	36	38	39	40	41
Reserves	0	60	65	73	78	87	90	93	96	99	102
<b>Total Expenditures</b>	<b>\$2,444</b>	<b>\$2,769</b>	<b>\$2,918</b>	<b>\$3,138</b>	<b>\$3,307</b>	<b>\$3,536</b>	<b>\$3,642</b>	<b>\$3,751</b>	<b>\$3,864</b>	<b>\$3,980</b>	<b>\$4,100</b>
<b>Net Operating Income (Loss)</b>	<b>(\$964)</b>	<b>(\$770)</b>	<b>(\$758)</b>	<b>(\$712)</b>	<b>(\$692)</b>	<b>(\$633)</b>	<b>(\$647)</b>	<b>(\$660)</b>	<b>(\$675)</b>	<b>(\$689)</b>	<b>(\$703)</b>
<b>Non-Operating Revenue and Transfers</b>											
Non-Operating Revenue	\$1,382	\$1,519	\$1,564	\$1,611	\$1,660	\$1,710	\$1,761	\$1,814	\$1,868	\$1,924	\$1,982
Transfers	3,576	3,049	3,140	3,234	3,331	3,431	3,534	3,640	3,750	3,862	3,978
<b>Total</b>	<b>\$4,958</b>	<b>\$4,568</b>	<b>\$4,705</b>	<b>\$4,846</b>	<b>\$4,991</b>	<b>\$5,141</b>	<b>\$5,295</b>	<b>\$5,454</b>	<b>\$5,618</b>	<b>\$5,786</b>	<b>\$5,960</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$3,994</b>	<b>\$3,797</b>	<b>\$3,947</b>	<b>\$4,134</b>	<b>\$4,299</b>	<b>\$4,508</b>	<b>\$4,648</b>	<b>\$4,793</b>	<b>\$4,943</b>	<b>\$5,097</b>	<b>\$5,256</b>

\*Reflecting the first full year of an improved operation, which may be a number of years after 2019.

Source: LEC, Johnson Consulting, PCD

As shown, in the first full year of operation following completion of all recommended improvements (Year 1) non-Fair events at the LEC are projected to generate \$2.0 million in total operating revenues and incur close to \$2.8 million of expenditures resulting in an operating loss of (\$770,000), before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, non-Fair events at the LEC are projected to report revenues of close to \$3.8 million.

In a stabilized year of operation (assumed to be Year 5), operating revenues from non-Fair events are projected to amount to \$2.9 million and operating expenditures to \$3.5 million, resulting in a net operating loss of (\$633,000), before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, the LEC is projected to report revenues of \$4.5 million. These projections represent a significant improvement over 2019, when the LEC is estimated to incur a net operating deficit of (\$964,000) related to non-Fair events and close to \$4.0 million in total revenues after accounting for non-operating revenues and expenses.

The assumptions and methodology used to estimate the financial performance of the facility are described in the following subsections.

## REVENUE ASSUMPTIONS

Figure 7 - 8 summarizes the assumptions utilized for projecting operating revenues from non-Fair events.

Figure 7 - 8

Lane Events Center Revenue Assumptions for Non-Fair Events				
	5-yr Average Base	2019 Base	Year 1* Base	Unit
<b>Operating Revenues</b>				
Building Rental	\$1,795	\$1,728	\$1,850	per event-day
Annual Fair	na	na	na	
F&B	\$0.34	\$0.28	\$0.50	per attendee
Equipment Rental	\$478	\$428	\$550	per event-day
Miscellaneous	16.1%	14.9%	16.5%**	of total
<b>Total Operating Revenues</b>	<b>\$1,432,947</b>	<b>\$1,480,157</b>		
<b>Non-Operating Revenue and Transfers</b>				
Non-Operating Revenue	\$1,545,988	\$1,382,199	\$1,390,000	annually
Transfers	\$1,995,495	\$3,575,712	\$2,790,000	annually
<b>Total</b>	<b>\$3,541,483</b>	<b>\$4,957,912</b>		

\*In today's dollars.

\*\*Average.

Source: LEC, Johnson Consulting, PCD

- **BUILDING RENTAL:** Includes the temporary rental facilities at the LEC for events. Between 2015 and 2019, building rental averaged \$1,795 per event day and is estimated to be \$1,728 per event day in 2019. The projections conservatively assume an average building rent of \$1,850 per event day upon facility improvements. This reflects several factors including that improvements will not be made to all buildings on the campus, some spaces may in fact be slightly discounted to attract new event demand, and it is generally considered that current rental rates at the LEC are towards the higher end of market rates.
- **ANNUAL FAIR:** Accounted for separately as discussed above.
- **FOOD AND BEVERAGE:** Based upon per capita food and beverage revenues, which are estimated to equate to \$0.28 per attendee in 2019 and averaged \$0.34 per attendee over the past 5 years. The projections conservatively assume that food and beverage revenues of \$0.50 per attendee reflecting new and improved meeting and banquet space.
- **EQUIPMENT RENTAL:** Averaged \$478 per event day between 2015 and 2019, and estimated at \$428 per event day in 2019. The projections assume that revenues from equipment rental will average \$550 per non-Fair event day following improvements to the LEC.
- **OTHER REVENUE:** Based on current operations, this revenue category reflects 11.2 percent of total revenue in 2019 and averaged 11.5 percent of total revenues between 2015 and 2019. In

the interest of being conservative, the projections assume that other revenue will account for 12.0 percent of total revenue going forward.

- **NON-OPERATING REVENUE AND TRANSFERS:** In the interest of remaining conservative, the projections assume that non-operating revenues and transfers will remain at similar levels going forward.

**EXPENSE ASSUMPTIONS**

An improved LEC should be able to gain significant advantages by exploiting its base of fixed costs, although increased activity will result in increases in variable costs. Figure 7 - 9 summarizes the assumptions utilized for projecting operating expenses at the LEC related to non-Fair events.

**Figure 7 - 9**

Lane Events Center Expense Assumptions for Non-Fair Events				
	5-yr Average Base	2019 Base	Year 1* Base	Unit
<b>Expenses</b>				
Personnel and Fringe	\$1,121,117	\$1,026,605	\$1,030,000	annually
Materials and Services	\$2,885	\$2,361	\$2,400	per event-day
Capital Projects/Outlay	\$97,538	\$106,821	\$50,000	annually
Debt Service	na	na	na	
Other Expenditures	5.4%	0.9%	1.0%	of total expenditures
Reserves	na	na	3.0%	of total revenue
<b>Total Expenditures</b>	<b>\$2,765,027</b>	<b>\$2,443,900</b>		

*\*In today's dollars.*

*Source: LEC, Johnson Consulting, PCD*

- **PERSONNEL AND FRINGE:** Given our assessment of current staffing at the LEC, it is assumed that staffing will remain consistent with 2019 levels.
- **MATERIALS AND SERVICES:** Reflects all expenses related to the operation of the facilities at the LEC. Based on the current operations for 2019, such expenses are estimated to be \$2,361 per event day, which is slightly lower than the 5-year average from 2015 to 2019 of \$2,885 per event day. The projections assume materials and services expenses of \$2,400 per event day, reflected increased operating efficiencies at improved facilities.
- **CAPITAL PROJECTS/ OUTLAY:** The projections assume a reduction in such expenses to \$50,000, annually, reflecting less unscheduled outlay, as well as the assumption that separate funding sources will be utilized to implement the recommended improvement plan to the LEC campus.



- **OTHER EXPENDITURES:** Other expenditures amounted to an average of 5.4 percent of total expenditures between 2015 and 2019, and only 0.9 percent of total expenditures in 2019. The projections assume that these expenditures will account for 1.0 percent of total expenditures going forward.
- **RESERVES:** There is no allowance for reserves in the current LEC operating statement. The projections include an allowance equal to 3.0 percent of total revenues to be set aside for reserves.

## ALL EVENTS

Figure 7 - 10 shows the combined current (2019) and projected operating statement for Fair and non-Fair events during the first 10 years of operation following completion of all recommended improvements at the LEC.

Figure 7 - 10

Lane Events Center Historical and Projected Statements of Revenues and Expenses (\$000) - ALL EVENTS											
	2019	Year 1*	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Operating Revenues</b>											
Building Rental	\$944	\$1,157	\$1,240	\$1,374	\$1,469	\$1,607	\$1,655	\$1,705	\$1,756	\$1,809	\$1,863
Annual Fair	1,223	1,365	1,406	1,448	1,491	1,536	1,598	1,663	1,730	1,799	1,872
F&B	138	244	271	316	349	403	420	436	454	472	491
Equipment Rental	238	348	373	413	441	483	497	512	527	543	559
Miscellaneous	282	373	404	455	492	549	569	589	609	631	653
<b>Total Operating Revenues</b>	<b>\$2,824</b>	<b>\$3,488</b>	<b>\$3,694</b>	<b>\$4,006</b>	<b>\$4,243</b>	<b>\$4,579</b>	<b>\$4,739</b>	<b>\$4,904</b>	<b>\$5,076</b>	<b>\$5,254</b>	<b>\$5,438</b>
<b>Expenses</b>											
Personnel and Fringe	\$1,318	\$1,443	\$1,487	\$1,531	\$1,577	\$1,625	\$1,673	\$1,724	\$1,775	\$1,829	\$1,883
Materials and Services	2,217	2,515	2,652	2,857	3,014	3,226	3,322	3,422	3,525	3,630	3,739
Capital Projects/Outlay	107	55	56	58	60	61	63	65	67	69	71
Other Expenditures	21	28	29	31	33	35	36	38	39	40	41
Reserves	0	73	79	87	93	102	105	109	112	116	119
<b>Total Expenditures</b>	<b>\$3,663</b>	<b>\$4,114</b>	<b>\$4,303</b>	<b>\$4,565</b>	<b>\$4,777</b>	<b>\$5,049</b>	<b>\$5,201</b>	<b>\$5,357</b>	<b>\$5,518</b>	<b>\$5,684</b>	<b>\$5,855</b>
<b>Net Operating Income (Loss)</b>	<b>(\$838)</b>	<b>(\$626)</b>	<b>(\$609)</b>	<b>(\$559)</b>	<b>(\$534)</b>	<b>(\$471)</b>	<b>(\$462)</b>	<b>(\$453)</b>	<b>(\$442)</b>	<b>(\$430)</b>	<b>(\$416)</b>
<b>Non-Operating Revenue and Transfers</b>											
Non-Operating Revenue	\$1,435	\$1,577	\$1,624	\$1,673	\$1,723	\$1,775	\$1,828	\$1,883	\$1,940	\$1,998	\$2,058
Transfers	3,576	3,049	3,140	3,234	3,331	3,431	3,534	3,640	3,750	3,862	3,978
<b>Total</b>	<b>\$5,011</b>	<b>\$4,626</b>	<b>\$4,765</b>	<b>\$4,907</b>	<b>\$5,055</b>	<b>\$5,206</b>	<b>\$5,362</b>	<b>\$5,523</b>	<b>\$5,689</b>	<b>\$5,860</b>	<b>\$6,036</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$4,173</b>	<b>\$4,000</b>	<b>\$4,155</b>	<b>\$4,348</b>	<b>\$4,521</b>	<b>\$4,736</b>	<b>\$4,900</b>	<b>\$5,071</b>	<b>\$5,247</b>	<b>\$5,430</b>	<b>\$5,619</b>

\*Reflecting the first full year of an improved operation, which may be a number of years after 2019.

Source: LEC, Johnson Consulting, PCD

As shown, in the first full year of operation following completion of all recommended improvements (Year 1) the LEC is projected to generate \$3.5 million in total operating revenues and incur \$4.1 million of expenditures resulting in an operating loss of (\$626,000), before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, the LEC is projected to report revenues of close to \$4.0 million.



In a stabilized year of operation (assumed to be Year 5), operating revenues are projected to amount to close to \$4.6 million and operating expenditures to \$5.0 million, resulting in a net operating loss of (\$471,000), before non-operating revenue and transfers. When non-operating revenues and transfers are accounted for, the LEC is projected to report revenues of \$4.7 million. These projections represent a significant improvement over 2019, when the LEC is estimated to incur a net operating deficit of (\$838,000) and \$4.1 million in total revenues after accounting for non-operating revenues and expenses.

# IMPACT ANALYSIS

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## ECONOMIC AND FISCAL IMPACT ANALYSIS

When construction of the recommended improvements to the LEC are complete, various transactions occurring on the improved site will generate ongoing, annual economic and fiscal impacts to the local and regional economies. Initial transactions occurring within each program element will ‘ripple out’ and generate indirect spending, induced spending, increased earnings, and employment, as well as various tax revenues for the local economy.

### DEFINITIONS

#### ECONOMIC IMPACT

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. The levels of impacts are defined as follows:

- **DIRECT SPENDING** – is an expression of the spending that occurs as a direct result of the project being developed. For example, a Fair attendee’s expenditures on hotel rooms, shopping and meals are direct spending.
- **INDIRECT SPENDING** – consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending at the project. For example, an attendee’s direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as indirect spending.
- **INDUCED SPENDING** – represents changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may spend more because he/she earns more. The amount of the increased income the waiter spends in the local economy is called induced spending.
- **INCREASED EARNINGS** – measures increased employee and worker compensation related to the project being developed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- **EMPLOYMENT** – measures the number of jobs supported in relation to the spending at the project. Employment impact is stated in the number of full-time equivalent jobs.

Indirect and induced spending, increased earnings, and employment are estimated using a set of multiplier rates shown in Figure 8 - 1. These figures are derived from an IMPLAN input-output model specifically purchased from IMPLAN Group, LLC. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through various sectors of the economy.

**Figure 8 - 1**

Lane Events Center Economic Impact Multipliers		
	Multiplier	Base
Indirect Spending	0.608	of direct spending
Increased Earnings	0.461	of direct spending
Increased Employment	25.484	per \$1 million of direct spending

Source: RIMS II (Prior Impact Study)

**FISCAL IMPACT ANALYSIS**

Fiscal impact analysis measures the estimated tax revenues resulting from direct spending on certain activities, facilities, or events. For this analysis, and in the absence of sales tax in Oregon, fiscal impact estimates focus on the only major category of tax revenues that is directly affected by a visitor’s activity – hotel/ motel tax. The current applicable tax rates are summarized in Figure 8 - 2.

**Figure 8 - 2**

Lane Events Center Applicable Tax Rates	
	Rate
State Lodging Tax	1.8%
Local Lodging Tax	9.5%

Source: City of Eugene, State of Oregon

**VISITATION PROJECTIONS**

Economic and fiscal impact analysis is based on the projected event and attendance at the LEC, as described in Section 7 of this report. Taking into account the estimated length of events and length of stay of the attendees. Figure 8 - 3 summarizes the projected visitation volume of event attendees at the LEC, measured in person-days (i.e. an attendee staying for the entire length of a two-day event is counted as two person-days). As shown, attendee visitation to the LEC is projected to be 586,677 person-days in the first full year of operation following implantation of all recommended improvements, increasing to 848,649 person-days in Year 5 and to 891,939 person-days in Year 10.



Figure 8 - 3

Lane Events Center Historical and Projected Person-Days - Attendees											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	199,187	259,148	281,731	305,178	329,497	354,695	358,242	361,824	365,443	369,097	372,788
Lane County Fair	112,700	110,540	110,540	110,540	110,540	110,540	111,645	112,762	113,889	115,028	116,179
Other Fair/ Festival	36,650	38,810	52,999	92,577	108,793	154,452	155,997	157,557	159,132	160,724	162,331
Retail*	134,900	140,521	143,307	145,876	148,226	150,359	151,862	153,381	154,915	156,464	158,029
Animal Show**	7,500	10,063	10,791	12,799	13,608	15,858	16,017	16,177	16,339	16,502	16,667
Meeting	4,459	4,459	5,096	5,733	6,370	7,007	7,077	7,147	7,219	7,291	7,364
Banquet	5,647	4,475	5,009	5,551	6,100	6,657	6,724	6,791	6,859	6,927	6,997
Concert	2,225	3,735	5,485	7,488	9,743	12,250	12,373	12,496	12,621	12,747	12,875
Sports	9,000	8,140	10,043	13,651	15,826	20,250	20,453	20,657	20,864	21,072	21,283
Miscellaneous	250	6,787	8,844	11,162	13,742	16,582	16,747	16,915	17,084	17,255	17,427
<b>TOTAL</b>	<b>512,518</b>	<b>586,677</b>	<b>633,844</b>	<b>710,554</b>	<b>762,443</b>	<b>848,649</b>	<b>857,136</b>	<b>865,707</b>	<b>874,364</b>	<b>883,108</b>	<b>891,939</b>

\*Including Consumer and Public Show  
 \*\*Largely occurring in the Livestock Arena  
 Source: LEC, Johnson Consulting, PCD

In addition to the event attendees, there will be other visitors to the LEC, such as exhibitors at trade shows, performers (singers, dancers, musicians), production officials and staff, and participants in sporting events. Figure 8 - 4 shows the estimated visitation to the LEC by other visitors in terms of person-days. As shown, the estimated visitation volume from these other visitors is projected to be 217,724 person-days in Year 1, and increasing to and stabilizing at 268,046 person-days in Year 5.

Figure 8 - 4

Lane Events Center Historical and Projected Person-Days - Other Visitors											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshow	46,920	57,993	61,629	65,289	68,975	72,686	72,686	72,686	72,686	72,686	72,686
Lane County Fair	3,400	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Other Fair/ Festival	51,000	58,500	58,500	68,250	68,250	78,000	78,000	78,000	78,000	78,000	78,000
Retail*	79,220	94,656	98,443	102,229	106,015	109,801	109,801	109,801	109,801	109,801	109,801
Animal Show**	1,500	1,500	1,500	1,667	1,667	1,833	1,833	1,833	1,833	1,833	1,833
Meeting	0	0	0	0	0	0	0	0	0	0	0
Banquet	0	0	0	0	0	0	0	0	0	0	0
Concert	200	300	400	500	600	700	700	700	700	700	700
Sports	500	875	875	1,000	1,000	1,125	1,125	1,125	1,125	1,125	1,125
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>182,740</b>	<b>217,724</b>	<b>225,246</b>	<b>242,835</b>	<b>250,407</b>	<b>268,046</b>	<b>268,046</b>	<b>268,046</b>	<b>268,046</b>	<b>268,046</b>	<b>268,046</b>

\*Including Consumer and Public Show  
 \*\*Largely occurring in the Livestock Arena  
 a) Assuming 390 booths per event upon expansion (or 340 booth per event pre-expansion), 2 exhibitors per booth, staying through the whole event length.  
 b) Assuming 195 booths per event upon expansion (or 170 booths per event pre-expansion), 2 exhibitors per booth, staying through the whole event length.  
 c) Assumed at 50 persons per event.  
 Source: LEC, Johnson Consulting, PCD

Figure 8 - 5 shows the projected number of room nights generated by overnight visitors to the LEC. As shown, overnight visitors to the LEC are projected to account for 24,096 room nights in Year 1, increasing to 32,866 room nights in a stabilized year (Year 5).

Figure 8 - 5

Lane Events Center Historical and Projected Room Nights											
	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Convention/ Tradeshc	6,405	8,352	9,008	9,683	10,378	11,092	11,161	11,230	11,300	11,371	11,442
Lane County Fair	3,022	2,998	2,998	2,998	2,998	2,998	3,025	3,053	3,081	3,110	3,138
Other Fair/ Festival	4,435	5,007	5,361	7,024	7,429	9,243	9,282	9,321	9,360	9,400	9,440
Retail*	6,067	7,042	7,295	7,546	7,795	8,042	8,057	8,072	8,088	8,103	8,119
Animal Show**	214	278	296	349	369	429	433	437	441	445	449
Meeting	15	15	17	19	21	23	24	24	24	24	25
Banquet	30	24	26	29	32	35	35	36	36	36	37
Concert	58	97	142	193	251	315	318	321	324	327	331
Sports	233	217	264	356	411	523	528	533	538	544	549
Miscellaneous	3	68	88	112	137	166	167	169	171	173	174
<b>TOTAL</b>	<b>20,480</b>	<b>24,096</b>	<b>25,496</b>	<b>28,309</b>	<b>29,821</b>	<b>32,866</b>	<b>33,030</b>	<b>33,196</b>	<b>33,364</b>	<b>33,533</b>	<b>33,704</b>

\*Including Consumer and Public Show

\*\*Largely occurring in the Livestock Arena

Source: LEC, Johnson Consulting, PCD

## IMPACT ANALYSIS

### ESTIMATED SPENDING

Visitors to the LEC will spend money at the LEC itself and also throughout the market. Total spending at the LEC corresponds with the operating revenues presented in Section 7 of this report, while spending throughout the market is estimated as follows – 1). On lodging: \$109 per room night; 2) On meals and incidentals: \$15 and \$40 per person-day for attendees and other visitors, respectively (in addition to what they spend at LEC); and 3). On car rental: \$34 per overnight visitors who stay in hotels. The average spending amounts reflected per diem rates as published by the U.S. General Services Eugene and Portland, as well as Business Travel News' Corporate Travel Index for Portland.

### SUMMARY OF ECONOMIC AND FISCAL IMPACT

Figure 8 - 6 shows the total estimated economic and fiscal impact of the LEC following completion of all recommended improvements and reflecting the assumptions described above. As shown, in a stabilized year (Year 5) visitors to the LEC are projected to generate \$42.8 million in direct spending, \$68.9 million in total spending, and \$19.7 million in increased earnings, and support 888 full-time equivalent (FTE) jobs annually. The fiscal impact of the LEC is estimated to be \$498,000 of lodging tax revenues, annually in a stabilized year (Year 5).





Figure 8 - 6

Lane Events Center Estimated Spending and Impact													
	Rate/ Assumption	2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
<b>Activity Volume</b>													
1	Attendance	412,670	447,288	481,914	545,539	583,792	655,802	662,360	668,984	675,674	682,430	689,255	
	Person-Days												
2	Attendees	512,518	586,677	633,844	710,554	762,443	848,649	857,136	865,707	874,364	883,108	891,939	
3	Exhibitors and Other Visitors	182,740	217,724	225,246	242,835	250,407	268,046	268,046	268,046	268,046	268,046	268,046	
4	<b>Total</b>	<b>695,258</b>	<b>804,400</b>	<b>859,090</b>	<b>953,389</b>	<b>1,012,850</b>	<b>1,116,695</b>	<b>1,125,182</b>	<b>1,133,753</b>	<b>1,142,410</b>	<b>1,151,154</b>	<b>1,159,985</b>	
5	Room Nights	20,480	24,096	25,496	28,309	29,821	32,866	33,030	33,196	33,364	33,533	33,704	
<b>Sales Volume (\$000)</b>													
6	<b>Spending at Lane Events Center</b>	<b>\$2,824</b>	<b>\$3,488</b>	<b>\$3,694</b>	<b>\$4,006</b>	<b>\$4,243</b>	<b>\$4,579</b>	<b>\$4,739</b>	<b>\$4,904</b>	<b>\$5,076</b>	<b>\$5,254</b>	<b>\$5,438</b>	
	Additional Spending	<i>Av. Spending</i>											
7	On Lodging	\$109 (a)	\$2,232	\$2,870	\$3,128	\$3,577	\$3,881	\$4,406	\$4,561	\$4,721	\$4,887	\$5,060	
	On Food and Incidentals												
8	by Attendance	\$15 (b)	\$7,816	\$9,776	\$10,879	\$12,562	\$13,884	\$15,917	\$16,558	\$17,226	\$17,920	\$18,642	
9	by Exhibitors and Other Visitors	\$50 (c)	9,183	11,955	12,739	14,146	15,025	16,566	17,063	17,574	18,102	18,645	
10	On Car Rental	\$34 (d)	695	893	973	1,113	1,208	1,371	1,419	1,469	1,521	1,575	
11	<b>Subtotal Additional Spending</b>		<b>\$19,926</b>	<b>\$25,495</b>	<b>\$27,720</b>	<b>\$31,398</b>	<b>\$33,998</b>	<b>\$38,260</b>	<b>\$39,601</b>	<b>\$40,991</b>	<b>\$42,430</b>	<b>\$43,921</b>	
12	<b>Total</b>		<b>\$22,750</b>	<b>\$28,983</b>	<b>\$31,414</b>	<b>\$35,404</b>	<b>\$38,241</b>	<b>\$42,838</b>	<b>\$44,340</b>	<b>\$45,895</b>	<b>\$47,506</b>	<b>\$50,904</b>	
			2019	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Economic Impact (\$000)</b>													
13	Direct Spending	<i>Multiplier</i>	\$22,750	\$28,983	\$31,414	\$35,404	\$38,241	\$42,838	\$44,340	\$45,895	\$47,506	\$49,175	
14	Indirect Spending	0.608	13,833	17,623	19,101	21,528	23,252	26,048	26,961	27,907	28,886	29,901	
15	<b>Total Spending</b>		<b>\$36,583</b>	<b>\$46,606</b>	<b>\$50,515</b>	<b>\$56,932</b>	<b>\$61,493</b>	<b>\$68,886</b>	<b>\$71,301</b>	<b>\$73,802</b>	<b>\$76,392</b>	<b>\$81,856</b>	
16	Increased Earnings	0.461	\$10,494	\$13,369	\$14,490	\$16,331	\$17,639	\$19,760	\$20,452	\$21,170	\$21,913	\$22,683	
17	Increased Employment	25.48	580	676	711	778	816	888	892	896	901	905	
<b>Fiscal Impact (\$000)</b>													
		<i>Tax Rates</i>											
17	State Lodging Tax	1.8%	\$40	\$52	\$56	\$64	\$70	\$79	\$82	\$85	\$88	\$91	
18	Local Lodging Tax	9.5%	212	273	297	340	369	419	433	449	464	481	
19	<b>Total Tax Revenues</b>		<b>\$252</b>	<b>\$324</b>	<b>\$353</b>	<b>\$404</b>	<b>\$439</b>	<b>\$498</b>	<b>\$515</b>	<b>\$533</b>	<b>\$552</b>	<b>\$572</b>	

a) Derived from US GSA Per Diem for Eugene and Portland, and Business Travel News' Corporate Travel Index for Portland.

b) Assuming an average spend of \$15 on meals and incidentals ON TOP OF what they may have spent already at the LEC.

c) Assuming an average spend of \$50 on meals and incidentals (or \$35 higher than that of an attendee's) ON TOP OF what they may have spent already at the LEC.

d) Derived from US GSA Per Diem for Eugene and Portland, and Business Travel News' Corporate Travel Index for Portland. Only applied to overnight visitors who stay in hotels.

Source: LEC, Johnson Consulting, PCD

# FUNDING AND IMPLEMENTATION STRATEGY



## FUNDING STRATEGY

In North America, public or special purpose entities usually finance construction, improvement and expansion of public facilities with public debt, which is repaid over a 20- to 30-year period. Sources of funds used to repay the debt are usually tax revenues, and are often those directly and/ or indirectly generated from activities or businesses that are most likely to use, or otherwise benefit from, the facility. Hotel room occupancy taxes, special taxes on restaurants, sales taxes, car rental fees, parking taxes, airport access fees, and adjacent real estate taxes and profits are most often the revenue sources used to repay debt service. In addition, these tax sources are frequently used to finance the ongoing operating, capital improvements and marketing needs of the facility.

The mix of revenue sources selected in any given case depends upon the comparative level of existing taxes or fees, as well as what is considered to be both fair and feasible under the unique political and economic circumstances relating to each development. In most communities, a high level of commitment and coordinated community-wide effort, including both state and local governments, is necessary to successfully fund a project. Since there is so much deferred maintenance at the LEC, there may be need to use general fund resources to address these deferrals.

## FINANCING MECHANISMS

There are 3 typical financing tools used to fund public assembly facilities:

- **PAY-AS-YOU-GO FINANCING:** Projects that are relatively small or that are financed in municipalities with rapidly growing tax bases are sometimes paid for directly out of appropriated funds each year. However, the majority of facilities are financed with long-term debt so that payment of capital costs corresponds to the period over which the facility is used and its economic benefits are realized.
- **GENERAL OBLIGATION BOND FINANCING:** Long-term bonding using the general obligation of the City, County and/ or State, Port Authorities, and College institutions, etc. either directly as part of a capital outlay program or as guaranteed debt of an authority that would provide strong credit and relatively low borrowing costs for the project. General obligation bonding is typically reserved for projects perceived to benefit the population as a whole, such as educational, recreational, environmental, economic development, transportation, or correctional facilities. The LEC falls into the recreational, educational and economic development categories and will be much more focused on these sectors if the improvement plan is funded and implemented.
- **REVENUE BOND FINANCING:** Revenue bonds are another source of finance that can be used to build, own, and operate utilities, airports, transportation systems, and public purpose facilities that have no power to tax. They derive their revenues from user fees and other sources, and must finance general and capital expenditures out of these receipts and whatever amount they are

permitted to borrow, which can be tailored to fit the specific requirements of the involved local and state governments. A local option hotel tax is an example of a dedicated revenue stream for a revenue bond, as there is no sales tax in Oregon.

## TAXING MECHANISMS

In addition to the financing tools described above, there are a number of taxing mechanisms that can be used to fund public assembly facilities and expansions, including:

- **HOTEL OCCUPANCY TAX:** Hotel taxes have the major advantage of primarily taxing out-of-town visitors, rather than local residents. A number of facilities throughout the U.S. have had their debt service paid fully, or in part, by dedicated hotel tax revenues.
- **TAX INCREMENT FINANCING (TIF):** TIFs are based on the incremental tax value (typically property taxes but also other taxes) of ancillary economic development projects that are triggered by a major new facility. The tax base of a defined TIF district is frozen and any increases in the future tax base are used to repay TIF bonds. This is a logical source of funding for this project, if TIF potential exists. A creative TIF District may have to be formed to engender sufficient revenues to fund this facility, or phases of it.
- **MEALS TAXES:** Meals surcharges have been used throughout the U.S. to support the costs of developing, and renovating, public assembly facilities and to fund related infrastructure, such as parking decks. This is a natural extension of the concept of lodging taxes, as the second highest spend occurs on food service. Meals taxes are directed towards beneficiaries of the project and to some extent, non-residents. Meals taxes can also generate substantial revenue to support operations of a facility.
- **DEVELOPMENT FEES/ LAND LEASE INCOME:** Fees for the right to develop projects near a public assembly facility can assist in funding. These so-called linkage fees have been imposed in locations where land adjacent to a public assembly facility is at a premium, typically on hotels, parking decks, retail stores, and other uses that can benefit from their proximity to the facility. Such fees generally do not produce significant revenue and are typically not a creditworthy source for debt financing because of their speculative nature. This could be considered for a new hotel and/ or ice arena on the LEC campus.
- **OTHER SOURCES:** Other common sources of partial funding include general fund support, car rental taxes, taxi airport access fees, and parking taxes.

The various financing mechanisms detailed above are being utilized all throughout North America. As municipalities and local governments are becoming more aware of the economic and fiscal benefits that public assembly facilities create for a community, they are increasingly issuing public debt over either the

short- or long-term, the latter of which incurs significantly minimized risk due to the greater impact the venue produces for the community.

## FUNDING RECOMMENDATIONS

The best strategy varies from location to location, and is also influenced by the type of public assembly facility involved. The funding required for improvements to the LEC should be as broad as possible with funding from the County, as well as potential funding from the City, University and private sponsors and benefactors. Each time any amount of funding is secured, it should be allocated to a specific improvement project. This will help to advance the improvement strategies for the LEC. Our funding recommendations are summarized as follows:

- **COUNTY FUNDING:** The County will have to direct, redirect or extend certain revenue streams for this facility. The most logical sources of funding for the County would be the General Fund, revenue bonds and hotel tax.
- **UNIVERSITY PARTNERSHIP:** The University is also a natural funding partner for the LEC, particularly given its educational focus and the potential to provide complementary sports and recreation facilities. There may also be a way to market facilities at the LEC collaboratively so as to demonstrate a critical mass of offerings and attract users to the marketplace. Arrangements could also be made to allow the University to utilize the LEC facilities for their programs.
- **PRIVATE SPONSORS:** The LEC should be positioned to attract naming rights sponsors for various improved buildings and facilities. There are a number of potential partners among the prominent businesses throughout the region.

## IMPLEMENTATION STRATEGY

In order to assist LEC Management in prioritizing improvements to the LEC campus, Johnson Consulting and PCD assigned an implementation ranking, reflecting the existing conditions discussion presented in Section 4 of this report, and based upon cost, ease and the ability to create meaningful outcomes for the LEC with regard to demand and revenue potential. It is noted that the implementation ranking, as shown in Figure 9 - 1, is a quantitative measure and should be used in conjunction with the recommendations presented in Section 6 of this report, as these will be most effective in positioning the LEC for ongoing success, albeit for more substantial financial outlay.

It is noted that these projects do not include a hotel, which should be set forth in the site masterplan, advocated for by the County, and executed on a long-term land lease with incentives provided to make it feasible. Modifying the Convention/ Events Center and adding meeting and ballroom space will result in the greatest level of tourism impact and hotel room night generation, and will serve existing customers

better. The analysis shows that these improvements are most expensive to implement, but are also most needed.

Figure 9 - 1

Lane Events Center Recommended Improvements - Implementation Rating					
Facility	Recommended Improvement	Ease*	Cost**	Effectiveness***	Impact on Demand
Convention/ Events Center	Reduce number of entry points accessible to the public.	1	1	1	3
Ice Arena	Replace / remove bleachers to provide additional floor space.	1	1	2	4
Livestock Arena	Provide handicapped accessibility for the elevated viewing area on the east end of the building.	2	2	1	5
Auditorium	Improve ventilation with the addition of exhaust fans and high-volume/low-speed ceiling hung fans.	1	3	1	5
Site	Improve wayfinding to site, and within site, by providing easy to read, and easy to see, signage.	1	3	1	5
Livestock Arena	Replace Main Arena dirt floor with concrete floor.	1	3	2	6
Livestock Arena	Provide an enhanced sound system would make events more manageable by the promoters and more enjoyable by attendees.	1	4	1	6
Exposition Hall	Improve acoustics in areas of dense occupancy.	2	2	2	6
Wheeler Pavilion	Improve audio system and acoustical treatments.	1	4	1	6
Site	Create grand entrance to identify the entry and define a theme for the fairgrounds.	2	3	1	6
Site	Provide improved green space for outdoor gatherings.	2	3	1	6
Site	Increase tree plantings to provide shade during outdoor events and to soften the buildings' facades.	1	3	2	6
Events/ Convention Center	Improve overall security procedures, and security, by limiting access to the building, installing cameras, and installing motion detectors.	2	4	1	7
Ice Arena	Repair roof leaks.	3	3	1	7
Ice Arena	Replace arena floor with concrete for additional exhibition space.	3	4	1	8
Exposition Hall	Update restrooms and make compliant with ADA.	3	4	1	8
Exposition Hall	Repair areas of wood decay to prevent severe structural damage.	3	3	2	8
Wheeler Pavilion	Provide air conditioning to make the use of the Pavilion more comfortable during the summer months.	2	4	2	8
Wheeler Pavilion	Update restrooms to bring into compliance with ADA requirements	3	4	1	8
Exposition Hall	Improve HVAC for year-round comfort for events.	3	4	2	9
Site	Provide improved and additional RV sites to increase revenue during events.	4	4	1	9
Convention/ Events Center	Improve lighting levels and provide adjustable lighting within exhibition space.	4	4	2	10
Convention/ Events Center	Increase door widths and overhead door access for large deliveries to the building for event logistics.	4	4	2	10
Convention/ Events Center	Provide a more open entry with better lighting in order to make Events Center more inviting to visitors.	5	5	1	11
Convention/ Events Center	Provide additional and appropriately sized and shaped break-out rooms are needed to better facilitate meetings, lectures, and presentations.	5	5	1	11
Livestock Arena	Provide an upgraded entry, improved restrooms and the addition of meeting space should be considered to make the building more marketable for events.	4	4	3	11
Exposition Hall	Provide larger doorways for loading equipment in and out of the facility.	4	4	3	11
Convention/ Events Center	Provide service corridor for operations throughout the building during events.	5	5	2	12

\* Ease: 1 = Easily Implemented; 5 = Difficult to Implement

\*\* Cost: 1 = Inexpensive to Implement; 5 = Expensive to Implement

\*\*\* Effectiveness: 1 = Results in Meaningful Changes; 5 = Results in Less Meaningful Changes

Source: PCD, Johnson Consulting

# APPENDIX A





## COMPARABLE FACILITIES ANALYSIS

In order to understand the market opportunity for potential improvements to the LEC, this section presents case study profiles of a set of comparable fairgrounds and event centers in the Pacific Northwest. The size and characteristics of these facilities, rental rates, and demand and financial performance data provide insight into the general parameters within which an improved LEC would be expected to operate.

### CASE STUDY PROFILES

The case study profiles presented below include a mix of traditional fairgrounds, as well as aspirational expo/ convention centers in the region. Figure A - 1 provides a summary of key market attributes related to each of the identified facilities. As shown, the LEC's primary market, as defined by a 1-hour drive time radius, ranks among the lowest with respect to median household income (9<sup>th</sup> out of 10) and entertainment spend (9<sup>th</sup>), and also has a relatively small population (7<sup>th</sup>) with a high median age (8<sup>th</sup>) compared to the peer set. Among the identified markets, the LEC's surrounding market characteristics are most similar to those of the HAPO Center in Pasco, WA, and the Deschutes County Fairgrounds and Expo Center in Redmond, OR.

Key locational attributes include:

- The proximate inventory of hotel guest rooms to the LEC (as defined as a 1-mile radius) is large (818 guest rooms) relative to the peer set, and trails only the Sacramento Convention Center (2,884 guest rooms) and the Portland Expo Center (1,365 guest rooms). The LEC's large hotel inventory likely reflects its proximity to the University of Oregon and to downtown Eugene, although as previously discussed, there are very few hotels in immediate proximity of the LEC (the closest hotel is 0.6 miles away).
- The closest major international airport is the Portland International Airport, which also serves many of the other comparable markets in the matrix. The annual passenger volume of the Portland and Seattle-Tacoma airports combined is just under 70.0 million passengers.
- The LEC ranks among the smallest in the comparable set with regards to the largest amount of contiguous exhibit space but is among the middle of the set with respect to total Fair attendance, revenues, expenses and net operating income.

Figure A - 1

Key Market Characteristics - Comparable Facilities										
Metric	Lane Events Center	Fairgrounds						Convention and Expo Centers		
		Douglas County Fairgrounds	Washington County Fair Complex	Clark County Event Center	Deshutes County Fairgrounds Expo Center	Washington State Fair and Event Center	HAPO Center	Portland Expo Center	Sacramento Convention Center	Fresno Convention and Entertainment Center
Location	Eugene, OR	Roseburg, OR	Hillsboro, OR	Ridgefield, WA	Redmond, OR	Payallup, WA	Pasco, WA	Portland, OR	Sacramento, CA	Fresno, CA
<b>Demographic Characteristics (2018) 1-Hour Drive Time Radius</b>										
Population	550,975	124,764	2,244,835	2,419,398	234,651	2,731,098	437,953	2,528,861	3,213,732	1,626,286
Rank	7	10	5	4	9	2	8	3	1	6
Median Age	38.7	47.1	38	38.3	42.8	38.1	33.3	38.2	36.2	31.6
Rank	3	1	7	4	2	6	9	5	8	10
Median Household Income	\$52,407	\$49,834	\$73,971	\$74,311	\$60,904	\$79,442	\$59,382	\$74,236	\$67,672	\$52,505
Rank	9	10	4	2	6	1	7	3	5	8
Entertainment Spending (per capita)*	\$181.95	\$156.30	\$258.10	\$257.06	\$199.09	\$285.08	\$207.45	\$256.57	\$244.07	\$194.31
Rank	9	10	2	3	7	1	6	4	5	8
<b>Location Attributes</b>										
Major International Airport	Portland	Portland	Portland	Portland	Portland	Seattle Tacoma	Portland	Portland	Sacramento	Fresno
Annual Airlift # Passengers (Million)	19.8	19.8	19.8	19.8	19.8	49.8	19.8	19.8	12.1	1.8
Rank	2	2	2	2	2	1	2	2	9	10
Hotels < 1 Mile (# Properties)	14	3	1	0	5	4	3	9	18	6
Hotel Guest Rooms < 1 Mile	818	192	118	0	378	359	270	1,365	2,884	777
Rank	3	8	9	10	5	6	7	2	1	4
CVB	Travel Lane County	Visit Roseburg	Hillsboro Chamber of Commerce	Visit Vancouver	Redmond Chamber of Commerce	Travel Tacoma	Visit Tri-Cities	Travel Portland	Visit Sacramento	Visit Fresno County
<b>Facility Attributes</b>										
Largest Exhibit Space (SF)	37,000	28,000	39,300	97,200	80,000	84,972	39,000	324,000	137,500	66,371
Rank	9	10	7	3	5	4	8	1	2	6
Annual Fair Attendance	110,000	-	110,000	270,000	260,000	1,000,000	-	-	-	-
Rank	4	-	4	2	3	1	-	-	-	-
Revenues (\$M - Most Recent Year)	\$2.8	\$1.9	-	-	\$5.1	-	\$2.4	\$6.4	-	\$3.5
Rank	4	6	-	-	2	-	5	1	-	3
Expenses (\$M - Most Recent Year)	\$3.7	\$2.0	-	\$4.3	\$6.1	-	\$2.5	\$6.2	\$28.8	\$4.1
Rank	6	8	-	4	3	-	7	2	1	5
Net Operating Income (Loss)	(\$0.8)	(\$0.05)	(\$1.8)	\$0.2	(\$1.0)	-	(\$0.1)	\$0.2	-	(\$0.5)
Rank	6	3	8	1	7	-	4	2	-	5

\* Includes annual average spending on tickets to theater/ operas/ concerts; tickets to movies/ museums/ parks; and admission to sporting events.  
 Source: Relevant Facilities, Ersi BAO, STR, Johnson Consulting

## FAIRGROUNDS AND EXPO CENTERS

### DOUGLAS COUNTY FAIRGROUNDS COMPLEX ROSEBURG, OR

**LOCATION:** The Douglas County Fairgrounds Complex (DCFC) is located between Interstate Highway 5 (Pacific Highway) and the South Umpqua River, approximately 74 miles south of Eugene, OR. The 74-acre Complex is home to the 5-day annual Douglas County Fair.

**OWNERSHIP/ MANAGEMENT:** The DCFC is owned and operated by Douglas County. Stewardship is provided by a 5-member Fair Board, which comprises one representative from the agricultural industry, one from the timber industry, one from the business community and two at-large members appointed by the Board of Commissioners.

**STAFFING:** The DCFC had a 10 full-time equivalent (FTE) staff in FY2016-17, contracting slightly to 9.8 FTE staff in the FY2017-18 budget and to 9.6 FTE staff in the FY2018-19 budget. Total salaries are budgeted at \$428,000 in FY2018-19. Figure A - 2 summarizes staffing at the DCFC.

**Figure A - 2**

Douglas County Fairgrounds Complex FTE* Staff (FY2016-17 to FY 2018-19)				
Position	FTE* Staff			Total Salaries FY2018-19 Budget
	FY2016-17 Actual	FY2017-18 Budget	FY2018-19 Budget	
Fairgrounds Manager	1.0	1.0	1.0	\$89,208
Building Maintenance (Tech 1)	1.0	0.5		
Fair Operations Manager	1.0	1.0		
Event Development Coordinator	1.0	1.0	1.0	\$54,891
Fair Operations Assistant	1.0	1.0	1.0	\$34,923
Fair Maintenance Technician	3.0	3.3	4.6	\$164,801
Accounting (Tech 2)	1.0	1.0	1.0	\$49,645
Senior Department Assistant			1.0	\$34,483
Department Assistant	1.0	1.0		
<b>Total</b>	<b>10.0</b>	<b>9.8</b>	<b>9.6</b>	<b>\$427,951</b>

\* Full Time Equivalent

Source: DCFC, Johnson Consulting

**FACILITIES:** The DCFC comprises 85,000 SF of rentable exhibit and meeting space, 3 arenas, 2 barns, and a variety of outdoor spaces, supported by parking and RV parking. Figure A - 3 summarizes facilities at the DCFC.

Figure A - 3

Douglas County Fairgrounds Complex Facilities and Capacity			
Building	Size (SF)	Capacity (# of Persons)	
		Classroom	Banquet
<b>Conference Building</b>	<b>13,475</b>	902	664
Cascade Hall*	4,605	310	176
Pacific Hall	4,322	287	168
Umpqua Hall	4,547	305	176
<b>Dormitory</b>	<b>2,400</b>	125	70
<b>Douglas Hall</b>	<b>24,336</b>	2,500	1,500
<b>Exhibit Building*</b>	<b>28,000</b>	2,500	1,000
<b>Flora Building</b>	<b>3,600</b>	240	145
<b>Total Exhibit and Meeting Space</b>	<b>85,285</b>		
<b>Garden Park</b>			
<b>Grandstands</b>	-	5,000	-
<b>Arenas</b>			
Pavilion Lithia Arena	20,000	400	-
River Arena	26,000	600	-
Outdoor Arena	25,200	900	-
<b>RV Park</b>		50 total spaces	
<b>Horse Stalls</b>		120 total stalls	
<b>Umpqua Park and Amphitheatre</b>			

\* Divisible into 2 smaller sections

Source: DCFC, Johnson Consulting

**RENTAL RATES:** Figure A - 4 details the rental rates for the DCFC. It is noted that daily rental rates include 100 chairs and 15 tables, as well as basic cleaning services by DCFC staff. Move in and move out days are not included in the rent, and vary from \$65 to \$300 based on the size of the space booked, plus heat and air conditioning (\$120 per day).

Figure A - 4

Douglas County Fairgrounds Complex Rental Rates			
	Size (SF)	Rental Fee (per Day)	Move In/ Move Out Rental Fee
<b>Conference Building</b>	13,475	\$1,450	\$400
Cascade Hall	4,605	500	175
Cascade East Hall	1,943	350	175
Cascade West Hall	2,661	350	175
Pacific Hall	4,322	500	175
Umpqua Hall	4,547	500	175
Dormitory	2,400	160	65
Douglas Hall	24,336	1,000	300
<b>Exhibit Building (Full)</b>	28,000	\$1,150	\$300
Exhibit Building (Half)	12,000	750	175
Floral Building	3,600	400	100
Garden Park		160	
<b>Grandstand</b>	5,000 (capacity)	\$1,800	\$515
<b>Arenas (Equestrian Events)</b>		\$370	\$150
Arenas (Special Events)		550	
<b>Horse Stalls</b>		\$25/night, \$120/month	
<b>RV Park</b>		\$25.50/night	
<b>Umpqua Park Amphitheater*</b>		\$1,840	

\*Daily rate or 10% of ticket sales, whichever is greater. The facility also charges 25% on novelties

Source: DCFC, Johnson Consulting

**DEMAND SCHEDULE:** Facilities at the DCFC are utilized for a variety of event types including conventions, conferences, tradeshow, banquets, weddings, motorsports, rodeos, and equestrian events, among others. Anecdotal information from Management of the DCFC indicates that the Complex is booked for 1,400-1,500 use days, annually.

**REVENUE & EXPENSES:** The FY2018-19 operating budget for the DCFC is \$2.2 million, up slightly from the FY2017-18 operating budget of \$2.1 million. In FY2016-17, the DCFC reported a slight net operating deficit of (\$48,480), which represents a decrease from the profit of \$82,233 reported in FY2015-16. Figure A - 5 shows the DCFC's actual operating statement for FY2016-17 and budgets for FY2017-18 and FY2018-19, highlighting that the preponderance of revenues are generated by Concessions, Rents, Leases and Royalties, and Fees and Admissions, while the largest expenses relate to Personnel Services and General Operations. This is typical for facilities of this type.

Figure A - 5

Douglas County Fairgrounds Complex Fair Board Fund Statement (FY2016-17 to FY2018-19)				
	FY2016-17 Actual	FY2017-18 Budget	FY2018-19 Budget	%
<b>Revenues</b>				
Fees and Admissions	\$417,907	\$461,239	\$492,733	22.6%
Concessions	710,301	779,760	844,745	38.8%
Share Revenues*	53,667	47,934	53,166	2.4%
Interest	31	95	95	0.0%
Rents, Leases and Royalties	541,716	569,368	578,438	26.6%
Contributions and Donations	625	0	0	0.0%
Sponsorships	84,308	110,250	135,831	6.2%
Other Sales	56,070	60,733	56,250	2.6%
Miscellaneous	7,267	3,283	4,265	0.2%
Transfers In	109,120	100,000	10,000	0.5%
<b>Total Revenue</b>	<b>\$1,981,012</b>	<b>\$2,132,662</b>	<b>\$2,175,523</b>	
<b>Expenses</b>				
Personnel Services	\$947,723	\$1,006,848	\$971,651	44.7%
General Operations	546,086	536,949	612,137	28.1%
F&B	160,722	169,665	181,449	8.3%
Materials and Supplies	47,238	48,485	60,700	
Equipment	8,014	10,308	11,750	0.5%
Maintenance	60,724	47,902	47,902	2.2%
Communications	8,944	8,434	10,752	0.5%
Utilities	146,347	150,147	161,450	7.4%
Insurance	4,680	4,500	6,000	0.3%
General and Administrative	79,477	122,628	93,490	4.3%
Miscellaneous	16,987	14,796	11,242	0.5%
Capital Outlay	2,550	12,000	7,000	0.3%
<b>Total Expenses</b>	<b>\$2,029,492</b>	<b>\$2,132,662</b>	<b>\$2,175,523</b>	
<b>Net Operations</b>	<b>(\$48,480)</b>	<b>\$0</b>	<b>\$0</b>	

\* OR Lottery Funds

Source: DCFC, Johnson Consulting

**OBSERVATIONS:** The DCFC provides an example of a highly utilized fairgrounds located in relatively close proximity to the LEC, further removed from downtown but with convenient freeway access. The DCFC operates with a similar budget to the LEC despite being smaller, in terms of total acreage and the size of indoor space. The Amphitheater and RV Park at the DCFC provide key points of difference. The location of the Amphitheater along the South Umpqua River frontage of the site creates a highly attractive setting. Consideration could be given to ways to capitalize on the LEC's frontage to the Amazon Creek and creating attractive outdoor environments for events and recreational use.

## WASHINGTON COUNTY FAIR COMPLEX HILLSBORO, OR

**LOCATION:** The Washington County Fair Complex (WCFC) is located in Hillsboro, OR, to the south of Highway 26, approximately 20 minutes to the west of downtown Portland.

**OWNERSHIP/ MANAGEMENT:** The WCFC is owned and operated Washington County. During the annual County Fair, the Fair Board, which is appointed by the Board of Commissioners, oversees the use of the Fairgrounds and provides fiscal and operational oversight of the production of the Fair.

**STAFFING:** The WCFC has 8.65 FTE staff. The County's 2019 budget allocated an additional 4.00 FTE positions to support a new Event Center, which is currently under construction and scheduled to open in 2020.

**FACILITIES:** Current facilities at the 100-acre WCFC include a 39,000 SF expo hall, 16,000 SF of meeting space, and a 3,500 SF covered outdoor event space. The new Event Center will comprise a 39,200 SF exhibit hall and 13,400 SF of meeting space, supplemented by 10,800 SF of outdoor event space. Figure A - 6 shows current and future facilities at the WCFC.

Figure A - 6

Washington County Fairgrounds Complex Facilities	
Building	Size (SF)
Event Center*	52,600
Expo Hall	39,300
Expo Hall West	24,770
Expo Hall East	14,530
Conference Room	10,225
Meeting Rooms (3)	5,785
Cloverleaf Building	3,200
Large Covered Show Ring	60x120ft
Small Show Ring	40x60ft
Barns	6 total barns
Friendship Square (Covered Outdoor)	3,534

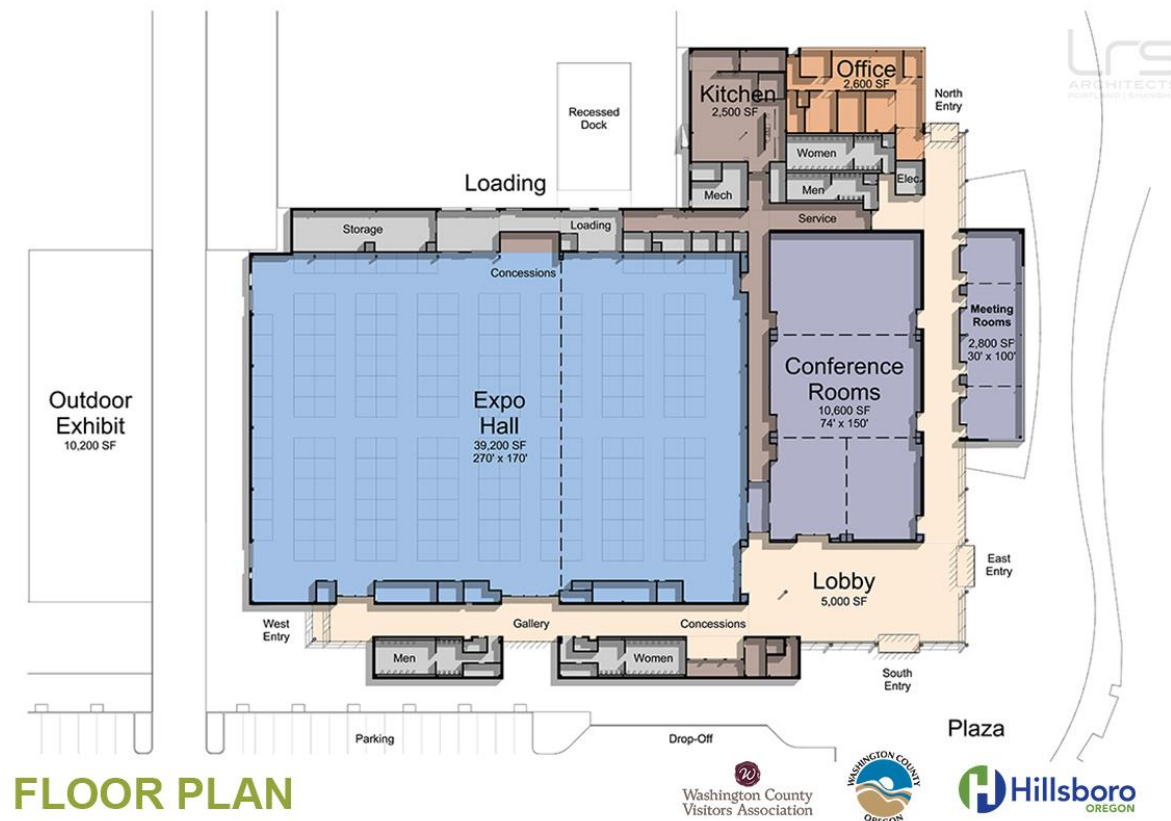
\*Event Center is slated to open in Mid-2020

Source: WCFC, Johnson Consulting

Figure A - 7 shows the proposed floorplan layout of the proposed Event Center.



Figure A - 7



Adjacent to the WCFC is the Fairgrounds Sports Complex. The 19.6-acre site includes 5 baseball fields (3 lighted), playground equipment, restrooms, a concession building and parking. The Sports Complex is owned and operated by the City of Hillsboro.

**RENTAL RATES:** Rental rates for Friendship Square (covered outdoor area) range from \$885 per day (for 100 or less attendees) to \$1,360 per day (501-600 attendees). No rental rate information for the Event Center has been advertised yet.

**DEMAND SCHEDULE:** The WCFC is home to the annual Washington County Fair, which runs for 4 days in July and attracts, on average, 110,000 persons annually. No additional demand information was provided by management.

**REVENUE AND EXPENSES:** In FY 2018-19, the WCFC has an operating budget of \$4.7 million. The proposed budget for FY 2019-20 is \$7.0 million, with the requested increase accounting for the addition of the Event Center. Figure A - 8 shows the adopted FY 2018-19 budget and the proposed budget for FY 2019-20, including operations of the Event Center. As shown, in FY 2018-19 the WCFC reported a net operating deficit of (\$1.8) million. This figured is projected to increase to a deficit of (\$2.0) million in FY2019-20.

Figure A - 8

Washington County Fairgrounds Complex Budget (FY2018-19 to FY2019-20)			
	FY2018-19 Adopted	FY2019-20 Budget	%
<b>Gross Revenues by Program</b>			
Fair Complex Operations & Interim Rentals	\$1,877,237	\$2,806,916	40.1%
Annual County Fair	1,809,508	1,882,836	26.9%
Fair Complex Capital Improvements	1,075,000	1,075,000	15.4%
Fair Complex Event Center	-	1,231,126	17.6%
<b>Total</b>	<b>\$4,761,745</b>	<b>\$6,995,878</b>	
<b>Revenues by Category</b>			
Taxes	\$1,589,604	\$2,268,021	32.4%
Intergovernmental	53,000	53,166	0.8%
Charges for Services	886,900	996,300	14.2%
Miscellaneous	411,200	366,000	5.2%
Operating Transfers In	-	1,250,000	17.9%
<b>Total Revenues</b>	<b>\$2,940,704</b>	<b>\$4,933,487</b>	
<b>Expenses</b>			
Personnel Services	\$860,850	\$1,174,824	23.2%
Materials and Services	864,575	1,610,065	31.8%
Other	800,904	936,754	18.5%
Interdepartmental	152,990	197,164	
Capital Outlay	1,030,000	1,151,292	22.7%
<b>Total</b>	<b>\$3,709,319</b>	<b>\$5,070,099</b>	
Contingency	1,052,426	1,925,779	38.0%
<b>Total Expenses</b>	<b>\$4,761,745</b>	<b>\$6,995,878</b>	
<b>Net Operations</b>	<b>(\$1,821,041)</b>	<b>(\$2,062,391)</b>	

Source: WCFC, Johnson Consulting

The \$52 million Event Center is being funded through the County's share of lodging taxes and State Gain Share payments, along with \$8 million in City lodging taxes and \$1 million from the Washington County Visitors Association.

**OBSERVATIONS:** The WCFC provides an example of a highly utilized facility that achieves substantial operating revenues from both the annual County Fair and year-round operations. Recognizing a need to provide additional, modern facilities to capitalize on growing demand, the new Event Center that is currently under construction will add a substantial amount of meeting and event space to the WCFC and will provide a significant draw, particularly for consumer and public shows, as well as conventions and meetings.

### CLARK COUNTY EVENT CENTER AT THE FAIRGROUNDS RIDGEFIELD, WA

**LOCATION:** The Clark County Event Center (CCEC) and Fairgrounds is located in Ridgefield, WA, just off Interstate Highway 5, approximately 20 minutes (drive time) to the north of downtown Portland.

**OWNERSHIP/ MANAGEMENT:** The CCEC is owned by Clark County and operated by the Fairgrounds Site Management Group (FSMG), a private non-profit organization, except during the annual County Fair which operates under the direction of the Clark County Fair Association.

**STAFFING:** The FSMG comprises 5 directors, 2 of which are appointed by the Fair Association and the balance of which are appointed by Clark County.

**FACILITIES:** The CCEC comprises 97,200 SF of contiguous exhibit space, along with 2 separate halls of 24,000 SF and 18,000 SF. Additional facilities include an 8,775-seat Grandstand and a 225-seat Equestrian Arena. Figure A - 9 provides a summary of facilities at the CCEC.

Figure A - 9

Clark County Event Center at the Fairgrounds Facilities and Capacity			
Building	Size (SF)	Capacity (# of Persons)	
		Classroom	Banquet
<b>Exhibit Hall ABC</b>	97,200	10,894	3,460
Exhibit Hall A	32,400	3,502	1,140
Exhibit Hall B	21,600	2,520	740
Exhibit Hall C	43,200	4,872	1,580
<b>South Hall One</b>	24,000	2,286	-
<b>South Hall Three</b>	18,000	1,888	-
<b>Total Exhibit and Meeting Space</b>	139,200		
<b>Grandstand</b>	45,000	8,775	-
<b>Barns</b>		160 total stables	
<b>Arenas</b>			
Dr. Jack Giesy Equestrian Arena	36,400	225	-

Source: CCEC, Cvent, Johnson Consulting

**RENTAL RATES:** Figure A - 10 provides a summary of rental rates for facilities at the CCEC.

**Figure A - 10**

<b>Clark County Event Center Rental Rates</b>		
	Size (SF)	Rental Fee (per Day)
<b>Exhibition Hall</b>		
Hall A	32,400	\$2,250
Hall B	21,600	1,700
Hall C	43,200	3,000
Hall AB	54,000	3,450
Hall BC	64,800	4,200
Hall ABC	97,200	6,200
<b>Equestrian Arena</b>		
Equestrian Events	25,200	\$750
Non-Equestrian Events		850
Charged set-up day*		150
<b>Commercial Exhibit Areas</b>		
South Hall 1	24,000	\$850
South Hall 2	8,000	850
South Hall 2**	8,000	425
South Hall 3	18,000	750
<b>Grandstand</b>		
Grandstand	45,000	\$4,000
Grandstand Plaza	100' x 150'	Included

\*if requested or if Arena is used on included set up day

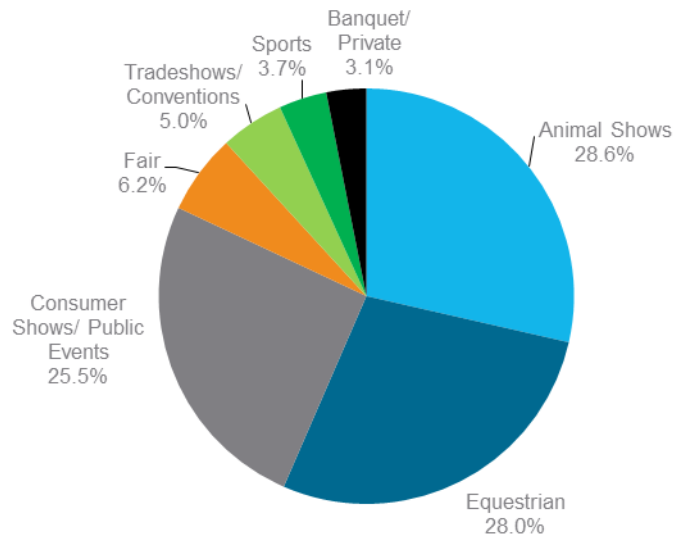
\*\*South Hall 2 rental price when rented in addition to South Hall 1

Source: Johnson Consulting, Clark County Event Center

**DEMAND SCHEDULE:** The annual Clark County Fair runs for 10 days in August and attracts, on average, 270,000 visitors. In 2019, there are 161 event days scheduled at the CCEC, including the Fair, of which the preponderance of event days relate to Animal Shows (28.6 percent), predominantly canine events, and Equestrian Events (28.0 percent), as well as Consumer Shows/ Public Events (25.5 percent). Figure A - 11 provides a breakdown of event days by event type at the CCEC in 2019.

**Figure A - 11**

Event Days by Event Type  
 Clark County Event Center (2019)

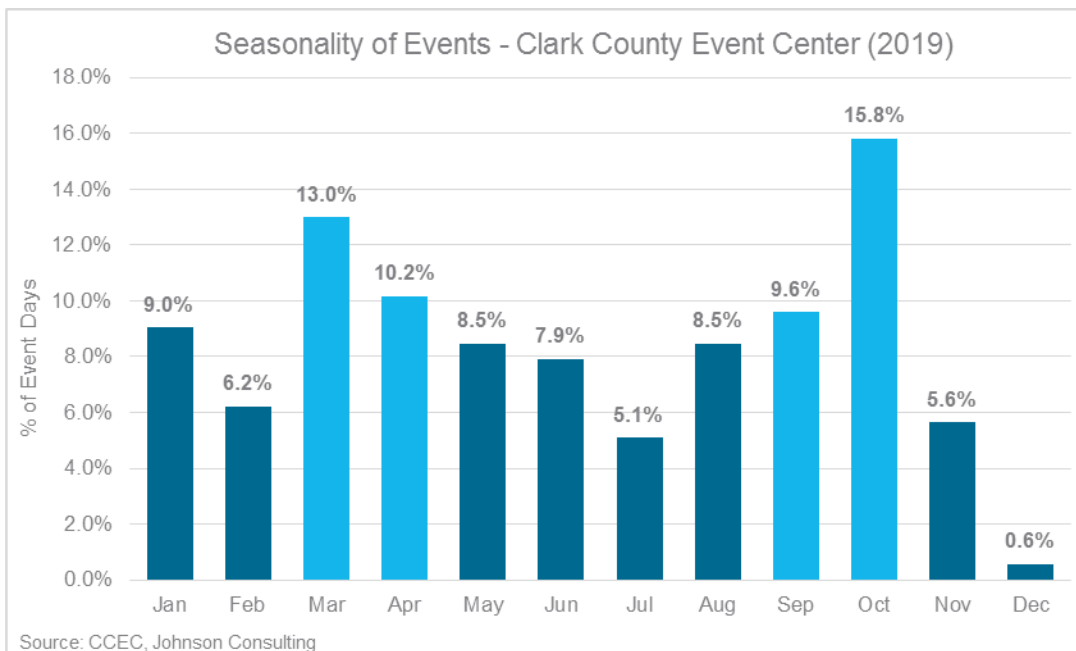


Source: CCEC, Johnson Consulting

Figure A - 12 shows the seasonality of events at the CCEC, based upon event days. As shown, the highest proportion of events occur in September/ October (25.4 percent) and March/ April (23.2 percent).

**Figure A - 12**

Seasonality of Events - Clark County Event Center (2019)



Source: CCEC, Johnson Consulting

**REVENUES AND EXPENSES:** Figure A - 13 shows the County's 2019 operating budget for the CCEC.

**Figure A - 13**

Clark County Event Center Expense Statement (2018-2019)			
	2018 Actual	2019 Budget	%
<b>Expenditures</b>			
Salaries and Wages	\$335,569	\$138,061	3.2%
Employee Benefits	178,690	81,142	1.9%
Supplies	557,284	259,067	5.9%
Services	7,612,579	3,843,116	88.1%
Transfers	105,200	10,350	0.2%
Capital Outlay	170,000	25,000	0.6%
Interfund	2,341	6,202	0.1%
<b>Total Expenses</b>	<b>\$8,961,663</b>	<b>\$4,362,938</b>	

Source: CCEC, Johnson Consulting

Detailed revenue information was not made available by management of the CCEC, however in 2017, the CCEC reported a net operating profit of approximately \$243,000.

**OBSERVATIONS:** The CCEC offers considerably more indoor meeting event space than the LEC and is able to capitalize on its proximity to downtown Portland, particularly with respect to attracting visitors to the annual County Fair. The CCEC operates with a much larger budget than the LEC and reports an annual net operating profit, without subsidy, highlighting the financial strength of operations.

#### DESCHUTES COUNTY FAIRGROUNDS & EXPO CENTER REDMOND, OR

**LOCATION:** The Deschutes County Fair and Expo Center (DCFEC) is located in Redmond in Central Oregon, which is a tri-county area defined as Deschutes, Jefferson and Crook counties. The site is located off Highway 97, approximately 15 minutes (drive time) from Bend, one of Oregon's largest cities.

**OWNERSHIP/ MANAGEMENT:** The DCFEC is owned and operated by Deschutes County. Stewardship is provided by a 7-member Board of Directors.

**STAFFING:** The DCFEC employs 12.00 FTE staff.

**FACILITIES:** Figure A - 14 summarizes event facilities at the DCFEC, which include a mix of exhibit and event space, along with covered livestock and equestrian arenas. The broader 320-acre site also includes 400 horse stalls and a 105-space RV park.

Figure A - 14

<b>Deshutes County Fairgrounds &amp; Expo Center Facilities and Capacity</b>		
<b>Building</b>	<b>Size (SF)</b>	<b>Capacity (# of Persons)</b>
<b>First Interstate Bank Center</b>	80,000	
Arena Floor	40,000	7,800
<b>High Desert Activity Center</b>	12,684	1,408
<b>Three Sisters Conference Center</b>	33,736	
North Sister	9,416	1,045
Middle Sister	14,904	1,654
South Sister	9,416	1,045
<b>Outdoor Arenas</b>		
Juniper Arena		3,500
Sagebrush Arena		1,500
<b>Barns</b>		400 stalls (75 permanent)
Beef Barn	28,000	
Dairy Barn	16,000	
Horse Barn	24,000	
Sheep Barn	13,000	
<b>RV Park</b>		105 spaces
<b>Outdoor Event Space</b>	3.65 acres	Landscaped

Source: DCFEC, Johnson Consulting

**RENTAL RATES:** Figure A - 15 summarizes the rental rates for facilities at the DCFEC. The entire complex can be rented for \$17,500 per day.



**Figure A - 15**

Deschutes County Fairgrounds and Expo Center Rental Rates		
	Size (SF)	Rental Fee (per Day)
<b>Entire Fairgrounds</b>		\$17,500
<b>First Interstate Bank Center</b>	40,000	\$3,150
<b>Three Sisters Conference Center</b>	33,736	\$3,050
South Sister	9,416	1,700
Middle Sister	14,904	2,100
North Sister	9,416	1,500
<b>Arenas</b>		
Hooker Creek Arena	17,750	\$600
Juniper Arena	51,625	840
Sagebrush Arena	(used for warmup)	740
<b>High Desert Activity Center</b>	12,684	\$1,260
<b>Meeting Space</b>		
Meeting Room (Smallest)	456	\$80
Meeting Room (Largest)	1,482	250
<b>Barns</b>		
Beef Barn	28,000	\$580
Dairy Barn	16,000	480
Horse Barn	24,000	1,155
Sheep Barn	13,000	580

Source: DCFEC, Johnson Consulting

**DEMAND SCHEDULE:** Anecdotal information from management of the DCFEC indicates that in addition to the 5-day annual Fair in July/ August, which attracts on average 260,000 visitors, the DCFEC records 400 event days annually.

**REVENUES AND EXPENSES:** Figure A - 16 shows the FY2019 budget for Deschutes County's 4 Enterprise Funds associated with the DCFEC. As shown, the DCFEC has a budget of \$2.1 million for year-round operations, \$1.2 million for the annual County Fair, \$837,600 for the RV Park, and \$1.6 million for capital reserves.

Figure A - 16

Deshutes County Fairgrounds & Expo Center Budget (FY 2019)				
	Fair & Expo Center	County Fair	Fair & Expo Center Capital Reserve	RV Park
<b>Revenues</b>				
Program Revenues	\$1,392,000	\$1,472,000	\$7,800	\$358,600
Transfers In	747,996	150,000	830,083	160,000
<b>Total Revenues</b>	<b>\$2,139,996</b>	<b>\$1,622,000</b>	<b>\$837,883</b>	<b>\$518,600</b>
<b>Expenses</b>				
Personnel Services	\$1,310,878	\$160,733	-	-
Materials & Services	1,040,271	988,269	15,000	298,870
Debt Service	101,136	-	-	223,101
Capital Outlay	-	-	422,000	-
Transfers Out	(472,998)	472,998	-	-
<b>Total Expenses</b>	<b>\$1,979,287</b>	<b>\$1,622,000</b>	<b>\$437,000</b>	<b>\$521,971</b>
Contingency	160,709	-	1,158,883	315,269
<b>Total Expenses</b>	<b>\$2,139,996</b>	<b>\$1,622,000</b>	<b>\$1,595,883</b>	<b>\$837,240</b>
FY2018 Budget	\$3,008,940	\$1,545,044	\$976,430	\$792,198
FY2018 Income	(868,944)	76,956	619,453	45,402

Source: DCFEC, Johnson Consulting

Operations are supported by a 1.0 percent increase in lodging tax (effective 2014), of which 70 percent is allocated to marketing of the DCFEC and 30 percent is for general purposes (in 2019 the 30 percent is programmed as a contribution to the DCFEC reserve fund). In 2019, the 1 percent allocation amounted to \$907,500.

**OBSERVATIONS:** The DCFEC has a substantial inventory of land and a variety of facilities that help to generate year-round revenues of approximately 1.5 times the annual County Fair revenue. The campus is removed from downtown but easily accessed from the broader area, which includes a significant population base in Bend, OR.

## WASHINGTON STATE FAIR AND EVENT CENTER PAYALLUP, WA

**LOCATION:** Home to the Washington State Fair, the Washington State Fair and Event Center (WSFEC) is located just south of the Puyallup River, off Interstate Highway 5 and approximately 135 miles south of Seattle and 10 miles east of Tacoma.

**OWNERSHIP/ MANAGEMENT:** The WSFEC is owned and operated by the Washington State Fair, a private, not-for-profit 501(c)(3) corporation. A 12-member Board of Directors provides stewardship of the WSFEC and the Washington State Fair Foundation financially supports scholarship and educational programs associated with the Fair.

**STAFFING:** The WSFEC employs a staff of 55 employees. Stewardship is provided by a 13-member Board of Directors.

**FACILITIES:** Figure A - 17 summarizes event facilities at the 169-acre WSFEC, the largest of which is the 85,000 square foot Mattress Firm Showplex.

**Figure A - 17**

Washington State Fair and Event Center Facilities and Capacity		
Building	Size (SF)	Capacity (# of Persons)
<b>Mattress Firm Showplex</b>	84,972	3,400 (400 booth spaces)
East Bay	23,300	
West Bay	23,400	
Center Bay	38,272	
<b>Pavilion</b>	46,200	800
1st Floor	22,700	
2nd Floor	23,500	
<b>Expo Hall</b>	20,000	800
<b>Agriplex</b>	22,263	800
<b>Barn Complex</b>	23,260	
Draft Horse Barn		23 box stalls
4-H Horse Barns		125 box stalls
Poultry/Rabbit Barn		55 box stalls
<b>Centennial Tent</b>	13,440	
<b>Fair Farm</b>	5,265	250
<b>Meeting Rooms (7)</b>	27,453	
<b>Total Exhibit and Meeting Space</b>	242,853	
<b>Grandstands</b>		10,368
<b>Arenas</b>		
W.H. Paulhamus Arena	25,000	1,961
Tractor Supply Arena	7,242	
Show Arena	18,686	1,000

Source: WSFEC, Johnson Consulting

**RENTAL RATES:** Figure A - 18 provides current rental rates for facilities at the WSFC.

**Figure A - 18**

Washington State Fair and Events Center Rental Rates		
	Size (SF)	Rental Fee (per Day)
<b>Buildings</b>		
Mattress Firm ShowPlex	84,972	\$7,600
Conference Center	12,768	2,100
Heritage Room	2,880	550
Founders Room	2,880	550
Pioneer Room	2,880	550
Agriplex	22,263	2,650
Expo Hall	20,000	2,300
Fair Farm	5,265	1,800
Fair View Club	2,800	800
Pavilion	46,200	3,850
<b>Arenas</b>		
Paulhamus Arena	25,000	\$2,000
<b>Meeting Space</b>		
Meeting Rooms (Building A, Floor 1)	4,985	\$950
Meeting Rooms (Building A, Floor 2)	4,075	1,000
Meeting Rooms (Building B, Floor 1)	3,750	950
Meeting Rooms (Building B, Floor 2)	1,875	550
<b>Barns</b>		
Beef Barn	13,448	\$1,000
Draft Horse Barn	9,209	750
4-H Horse Barn	13,468	750
Rodeo Barn		850
<b>Outdoor Area</b>		
SillyVille (Base)		\$2,500

Source: Washington State Fair and Event Center, Johnson Consulting

**DEMAND SCHEDULE:** The WSFEC is home to the annual Washington State Fair, which will run for 22 days in 2020, opening on Labor Day weekend. This represents an extended Fair from 2019 (20 days) and historically the Fair has run for 17 days and attracted between 1.0 and 1.2 million visitors. The WSFEC also hosts a 4-day Spring Fair annually in April.

**REVENUES AND EXPENSES:** No revenue and expense data was made available by management.

**OBSERVATIONS:** The WSFEC provides an example of a highly successful fairgrounds owned and operated by a not-for-profit organization. Proximity to Seattle and Tacoma, as well as ease of access via public transportation, are advantageous for the WSFEC. Consideration could be given to improving public transportation options to the LEC.

### HAPO CENTER PASCO, WA

**LOCATION:** The HAPO Center is located in Pasco, in southeastern Washington, just off Interstate High 182. Pasco, along with the cities of Kennewick and Richland, collectively comprise the “Tri-Cities” region. All 3 cities border the Columbia River and comprise a significant population base to support the HAPO Center.

**OWNERSHIP/ MANAGEMENT:** The HAPO Center (formerly the TRAC Center), is owned and operated by Franklin County. A 7-member Advisory Board provides stewardship.

**STAFFING:** The HAPO Center employs a staff of 15.875 FTE employees, per the 2019 budget allocation, and as summarized in Figure A - 19.

Figure A - 19

HAPO Center FTE* Staff (2017-2019)			
Position	FTE* Staff		
	2017 Actual	2018 Actual	2019 Adopted
General Manager	1.0	1.0	1.0
Executive Chef	1.0	-	-
Finance Manager	1.0	1.0	1.0
Event Manager	1.0	1.0	1.0
Sales/ Box Office Manager	2.0	1.0	1.0
Operations Manager	1.0	1.0	1.0
Office Manager	-	-	1.0
TRAC Facilities Lead	-	1.0	1.0
Facilities	5.0	5.0	5.0
Accounting Assistant	1.0	1.0	-
Sales & Marketing Assistant/ Box Office Lead	-	1.0	2.0
Receptionist	1.0	0.875	0.875
PT Facilities	1.0	1.0	1.0
<b>Total</b>	<b>15.0</b>	<b>14.875</b>	<b>15.875</b>

\* Full Time Equivalent

Source: HAPO Center, Franklin County, Johnson Consulting

**FACILITIES:** The HAPO Center, which opened in 1995, comprises a 39,000 SF exposition hall, 3 meeting rooms totaling 5,155 square feet of space, and the 5,000-seat Ranch and Home Arena. Figure A - 20

summarizes the event space at the HAPO Center. The Franklin County RV Park is also located adjacent to the HAPO Center.

**Figure A - 20**

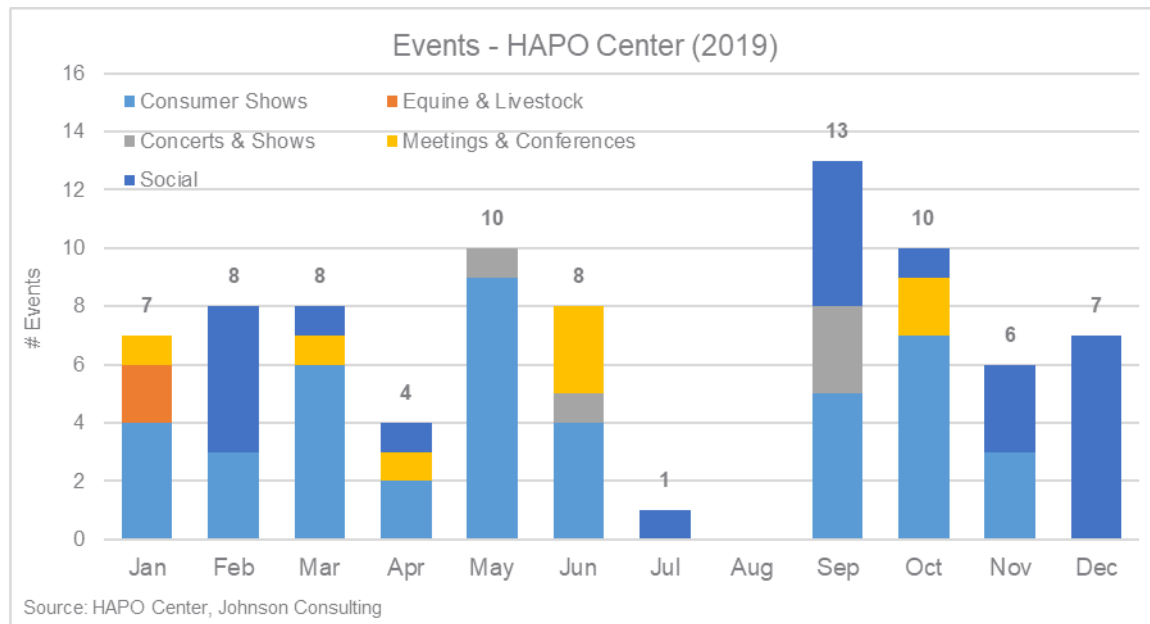
<b>HAPO Center Facilities and Capacity</b>			
<b>Building</b>	<b>Size (SF)</b>	<b>Capacity (# of Persons)</b>	
		<b>Classroom</b>	<b>Banquet</b>
<b>Exposition Hall</b>	<b>39,000</b>	2,950	1,800
<b>Meeting Rooms</b>	<b>5,155</b>		
Board Room	713		
Room #2	1,960	160	80
Room #4	2,482	200	140
<b>Total Exhibit and Meeting Space</b>	<b>44,155</b>		
<b>Arenas</b>			
Ranch & Home Arena	43,472	5,000	

Source: HAPO Center, Johnson Consulting

**RENTAL RATES:** Rental Rates were not made available by management.

**DEMAND SCHEDULE:** In 2019, the HAPO Center reported 82 booked events, the preponderance of which (52.4 percent) were Consumer/ Public Shows, followed by Social/ Private Events (29.3 percent). Figure A - 21 provides a breakdown of events by type and by month in 2019, highlighting a slight peak in events in September-October and May-June.

Figure A - 21



**REVENUES AND EXPENSES:** Figure A - 22 shows the HAPO Center's operating budget for 2016-2019. As shown, highlighting an approximately \$2.5 million operation.

Figure A - 22

HAPO Center Budget (2016-2019)					
	2016 Actual	2017 Actual	2018 Budget	2019 Budget	CAGR*
<b>Revenues</b>					
Operating Revenue	\$2,236,083	\$2,092,791	\$2,017,503	\$2,028,842	(3.2%)
Non-Operating Revenue	287,132	82,488	91,829	66,969	(38.4%)
Transfers In	155,501	238,382	214,117	210,437	10.6%
<b>Total Revenues</b>	<b>\$2,678,716</b>	<b>\$2,413,661</b>	<b>\$2,323,449</b>	<b>\$2,306,248</b>	<b>(4.9%)</b>
<b>Expenses</b>					
Personnel Services	\$1,172,402	\$1,044,408	1,230,056	1,086,279	(2.5%)
Other Operating Expenses	1,044,620	1,104,546	989,564	1,141,001	3.0%
Non-Operating Expenses	300,605	325,695	12,000	12,000	(65.8%)
Sales Tax Remit to WA State	97,430	82,488	91,829	66,968	(11.7%)
<b>Total Expenses</b>	<b>\$2,615,057</b>	<b>\$2,557,137</b>	<b>\$2,323,449</b>	<b>\$2,306,248</b>	<b>(4.1%)</b>
<b>Revenue Over (Under) Expenses</b>	<b>\$63,659</b>	<b>(\$143,476)</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>

\* Compounded Annual Growth Rate

Source: HAPO Center, Johnson Consulting



In March 2019, the Franklin County Commission signed a 10-year naming rights deal with Pasco-based HAPO Community Credit Union for \$1.0 million.

**OBSERVATIONS:** Similarly to the LEC, the HAPO Center is located on the edge of downtown. The facility benefits from an onsite 85-room Holiday Inn Express and Suites Pasco, which offers an additional 9,843 SF of meeting space in 8 breakout rooms, and the adjoining RV Park. From a financial perspective, the HAPO Center operates with a similar budget to the LEC and also benefits from the naming rights deal. This could be considered at the LEC as an additional revenue stream, although a naming rights partner would desire newer, more modern facilities.

## CONVENTION AND EXPO CENTERS

### PORTLAND EXPO CENTER PORTLAND, OR

**LOCATION:** The Portland Expo Center (PEC) is located just off Interstate Highway 5 between downtown Portland and Vancouver, WA, in close proximity to the Portland International Airport.

**OWNERSHIP / MANAGEMENT:** The PEC is owned and operated by Metro regional government, which owns and/or operates several other venues including the Oregon Convention Center, Oregon Zoo, Portland's Center for the Arts, and a handful of parks and cemeteries throughout the state. The Metro is run by seven councilors, who each represent their own district. The Metropolitan Exposition Recreation Commission manages the facility.

**STAFFING:** The PEC has a staff of 13 FTE employees.

**FACILITIES:** The 53-acre PEC campus comprises approximately 329,000 SF of meeting and event space, the preponderance of which (324,000 SF) is exhibit space. Figure A - 23 shows the summary of meeting and event space at the PEC.

**Figure A - 23**

<b>Portland Expo Center</b>					
<b>Summary of Exhibit and Meeting Space</b>					
	Size (SF)		Capacity (# of Persons)		
	Individual (Smallest)	Combined (Largest)	Theater	Classroom	Banquet
<b>Exhibit Hall ABCDE</b>	<b>324,000</b>				
Hall A	48,000		2,726	1,680	1,860
Hall B	36,000		2,700	1,656	1,440
Hall C	60,000		4,736	3,000	2,880
Hall D*	72,000		7,000	3,208	4,620
Hall E**	108,000		9,000	5,280	6,240
<b>Meeting Rooms</b>					
Number of Rooms	10	5			
Smallest Room	204		25	12	12
Largest Room		2,380	300	156	160
<b>Subtotal Meeting Room SF</b>		<b>4,903</b>			
<b>Total Exhibit and Meeting Space</b>		<b>328,903</b>			

\* Divisible into 2 sections of 36,000 SF each

\*\* Divisible into 2 sections of 54,000 SF each

Source: Portland Expo Center, Johnson Consulting

**RENTAL RATES:** Rental rates for facilities at the PEC vary based on whether the event is ticketed or non-ticketed and include 3 move in/ move out days free of charge, when available. Any additional move in/ move out days are charged at half the daily rent rate. Figure A - 24 shows rental rates at the PEC.

**Figure A - 24**

<b>Portland Expo Center Rental Rates</b>			
	<b>Size (SF)</b>	<b>Rental Fee (per Day) Ticketed</b>	<b>Rental Fee (per Day) Non-Ticketed</b>
<b>Exhibit Halls</b>			
Hall A	48,000	\$3,050	\$3,740
Hall B	36,000	2,410	2,790
Hall C	60,000	3,965	4,700
Hall D	72,000	6,660	7,700
Hall D1	36,000	3,330	3,850
Hall D2	36,000	3,330	3,850
Hall E	108,000	9,570	11,280
Hall E1	54,000	4,785	5,640
Hall E2	54,000	4,785	5,640
<b>Combined Exhibit Halls</b>			
Hall AB	84,000	\$5,460	\$6,530
Hall AC	108,000	7,015	8,440
Hall ABC	144,000	9,425	11,230
Hall DE	184,500	16,630	19,380
Hall ABCD	216,000	16,485	18,930
Hall CDE	244,500	20,595	24,080
Hall ABCDE	328,500	26,055	30,610
<b>Meeting Space</b>			
Meeting Rooms	204-2,352	\$150 (Smallest)	\$720 (Largest)

Source: Johnson Consulting, Portland Expo Center

**DEMAND SCHEDULE:** In 2018 the PEC hosted 114 events and attracted 392,760 attendees. Between 2010 and 2018, the total number of events held at the PEC increased at an average annual rate of 1.9 percent, while total attendance contracted at an average annual rate of (0.9) percent. Figure A - 25 shows total events and attendance at the PEC since 2010.

Figure A - 25

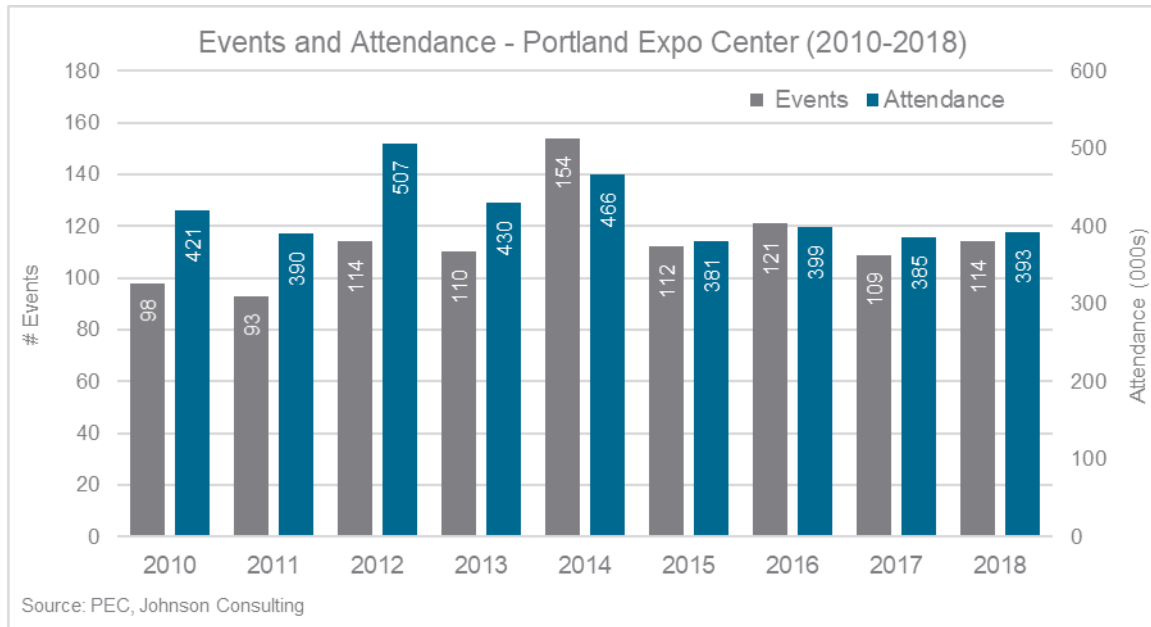
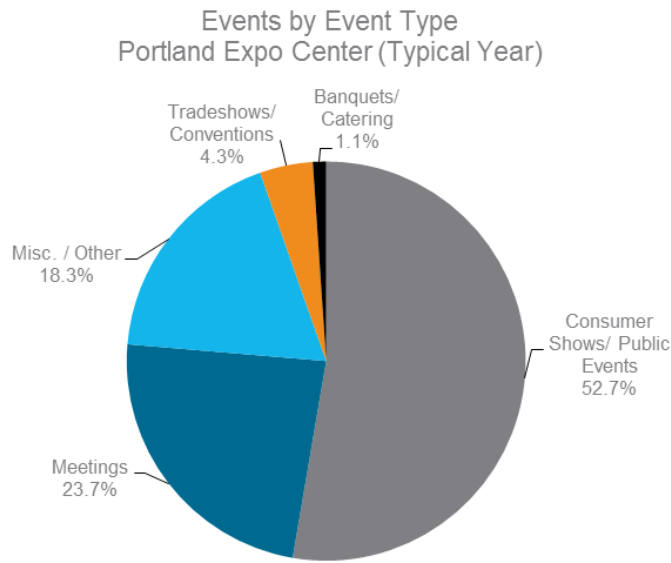


Figure A - 26 shows the typical breakdown of events, by event type, at the PEC. On average, the preponderance of events (52.7 percent) are Consumer Shows/ Public Events, with the next highest proportion (23.7 percent) being Meetings.

Figure A - 26



Source: PEC, Johnson Consulting

**REVENUE & EXPENSES:** The 2018 the PEC reported a net operating income of \$240,905, down considerably from a net profit of \$408,914 in 2017. Over 90.0 percent of revenues earned originate from Rentals and Food and Beverage sales, with the largest expenses being Food and Beverage and Personnel Services. Figure A - 27 shows the 2017 and 2018 revenue and expense statements for the PEC.

Figure A - 27

Portland Expo Center Revenue and Expense Statement (2017-2018)*				
	2017	%	2018	%
<b>Revenues</b>				
Charges for Services	\$4,270,109	61.3%	\$4,177,484	64.6%
F&B	2,303,079	33.1%	1,871,500	29.0%
Interest Earnings	24,454	0.4%	43,397	0.7%
Miscellaneous	36,660	0.5%	38,556	0.6%
Transfers	333,330	4.8%	333,330	5.2%
<b>Total Revenue</b>	<b>\$6,967,632</b>		<b>\$6,464,267</b>	
<b>Expenses</b>				
Personnel Services	\$1,580,302	24.1%	\$1,463,023	23.5%
Materials and Services	1,296,950	19.8%	1,230,395	19.8%
F&B	1,769,582	27.0%	1,631,921	26.2%
Management Fee	458,594	7.0%	386,058	6.2%
Transfers	1,453,290	22.2%	1,511,965	24.3%
<b>Total Expenses</b>	<b>\$6,558,718</b>		<b>\$6,223,362</b>	
<b>Net Operations</b>	<b>\$408,914</b>		<b>\$240,905</b>	
F&B Margin	\$533,497		\$239,578	
F&B Margin (%)	23%		13%	

\* YTD April 2019

Source: PEC, Johnson Consulting

**OBSERVATIONS:** Although the PEC is considerably larger than the exhibit space offerings at the LEC, it provides an example of a highly divisible space that is flexible in design and allows for the creation of ballroom space. The PEC benefits from its proximity to downtown Portland, as well as the fact that it is a location for a Park and Ride hub because the area's light rail system terminates at the PEC.

### SACRAMENTO CONVENTION CENTER SACRAMENTO, CA

**LOCATION:** Situated in downtown Sacramento, south of the American River and east of the Sacramento River, the Sacramento Convention Center (SCC) opened in 1974, was expanded in 1996 and is currently closed for a \$180 million renovation and expansion that will be completed in November 2020.

**OWNERSHIP/ MANAGEMENT:** The SCC is owned and operated by the City of Sacramento. It is understood that private management is being contemplated as part of the current renovation and expansion.

**STAFFING:** No staffing information was made available by management.

**FACILITIES:** The SCC previously offered 137,500 SF of exhibit space, divisible into 5 sections, along with a 25,000 SF ballroom and a 9,500 SF junior ballroom. These spaces were supplemented by approximately 12,100 SF of meeting space, the 2,400-seat Community Center Theater, the 272-seat Jean Runyon Little Theater, and the 3,849 seat Memorial Auditorium.

The current expansion involves replacing the western half of the facility to add 22,494 SF of exhibit space, meeting rooms, a 40,000 SF ballroom, a kitchen, and lobby. The eastern side of the existing building will be renovated to add meeting rooms, a new lobby and upgrade the existing ballroom, pre-function and meeting space. A 15,300 SF outdoor activities plaza will create flexible outdoor space for a variety of events.

Upon completion, the new SCC will offer more than 240,000 SF of leasable space, including 160,000 SF of exhibit space, 37 breakout rooms, and 79,100 SF of meeting space.

**RENTAL RATES:** Figure A - 28 summarizes 2018 rental rates at the SCC. It is anticipated that rental rates will increase upon opening of the renovated and expanded facility.

**Figure A - 28**

Sacramento Convention Center Rental Rates (2018 - Prior to Expansion)		
	Size (SF)	Rental Fee (per Day)
<b>Exhibit Hall</b>		
Exhibit Hall A	37,745	\$7,925
Exhibit Hall B	34,050	7,150
Exhibit Hall C	32,871	6,905
Exhibit Hall D	54,843	11,515
<b>Ballroom</b>		
Ballroom A	39,224	\$14,540
Ballroom B	24,385	9,040
<b>Meeting Rooms (16)</b>		
Meeting Room (Smallest)	701	\$260
Meeting Room (Largest)	2,567	1,050

Source: Sacramento Convention Center, Johnson Consulting

**DEMAND SCHEDULE:** Pre-renovation demand at the SCC is deemed to have little relevance to likely future demand and is therefore not included in this case study profile.

**REVENUES AND EXPENDITURES:** In 2018 the SCC had an operating budget of \$28.8 million. It is anticipated that this will increase upon re-opening.

**OBSERVATIONS:** While the SCC is well located in the State capital, with easy access via the established road and public transport networks, as well as proximity to Sacramento Airport, the County identified that its competitive position was continuing to decline as other cities invested in the hospitality, entertainment and retail through renovations and expansions to their main convention facilities. This justified the current expansion and renovation to the SCC and is an important consideration for all event facilities as they strive to remain current in their respective marketplaces.

### FRESNO CONVENTION AND EVENT CENTER FRESNO, CA

**LOCATION:** Located in downtown Fresno, CA, in close proximity to Los Angeles, San Francisco and Yosemite National Park, the Fresno Convention and Event Center (FCEC) originally opened in 1966 and was expanded in 1981 and 1999.

**OWNERSHIP/ MANAGEMENT:** The FCEC is owned by the City of Fresno and managed by SMG, a private venue management company.

**STAFFING:** The FCEC employee 11 FTE staff.

**FACILITIES:** Figure A - 29 summarizes meeting and event space at the FCEC.

**Figure A - 29**

Fresno Convention and Entertainment Center Facilities	
Building	Size (SF)
<b>Exhibit Hall (Combined)</b>	<b>66,371</b>
Exhibit Hall 1	43,004
Exhibit Hall 2	10,769
Exhibit Hall 3	12,598
<b>Valdez Hall</b>	<b>32,000</b>
<b>Valdez Hall Meeting Rooms (14)</b>	<b>14,360</b>
<b>Exhibit Hall Meeting Rooms (20)</b>	<b>13,040</b>
<b>Total Exhibit and Meeting Space</b>	<b>125,771</b>
Sayoran Theatre	
<b>Arenas</b>	
Selland Arena	

Source: FCEC, Johnson Consulting

**RENTAL RATES:** No rental rate information was made available by management.

**DEMAND SCHEDULE:** No demand schedule was made available by management.

**REVENUE AND EXPENSES:** Figure A - 30 summarizes the revenue and expense statement for the FCEC for FY2018 and FY 2019. As shown, the FCEC reported total direct event income of \$1.2 million in FY2018 and \$1.1 million in FY 2019, with total event income of \$2.8 million in FY2018 and \$3.6 million in FY2019. After accounting for indirect expenses, the FCEC reported net losses of (\$681,083) and (\$594,506) in FYE2018 and FYE2019, respectively.

**Figure A - 30**

Fresno Convention and Entertainment Center Revenue and Expense Statement (2018-2019)		
	FYE18	FYE19
Event Income		
Direct Event Income		
Rental Income	\$1,574,517	\$1,570,708
Service Event Income	2,124,182	2,731,719
Service Event Expense	(2,466,204)	(3,181,002)
Total Direct Event Income	1,232,495	1,121,425
Ancillary Income		
Food & Beverage	\$1,232,037	\$1,556,465
F&B Variable Cost	(960,734)	(1,146,550)
Catering Net Revenue	352,643	384,848
Novelty Sales	25,748	68,911
Parking	277,058	285,998
Electrical/Other Ancillary	50,392	53,767
Facility Fees/TM Rebates	557,333	847,024
Total Ancillary Income	1,534,477	2,050,463
<b>Total Event Income</b>	<b>\$2,766,972</b>	<b>\$3,171,888</b>
Other Income	\$365,951	\$396,526
<b>Adjusted Operating Income</b>	<b>\$3,132,923</b>	<b>\$3,568,414</b>
Indirect Expenses		
Employee Wages & Benefits	\$2,591,595	\$2,727,230
Contracted Services	27,500	10,500
Operations Expenses	20,516	16,000
Repairs & Maintenance	447,088	522,236
Building Supplies	31,644	83,324
Janitorial	74,015	80,715
Plumbing	11,436	6,065
Insurance	101,435	115,985
General/Administrative Expenses	214,362	262,509
Utilities/Telephone	940,245	1,023,681
SMG Management Fee	145,636	145,636
Special Events	25,500	25,500
Labor and Expenses Allocated	(816,966)	(856,461)
<b>Total Indirect Expenses</b>	<b>\$3,814,006</b>	<b>\$4,162,920</b>
<b>Net Income (Loss)</b>	<b>(\$681,083)</b>	<b>(\$594,506)</b>

Source: Johnson Consulting, Fresno Convention and Entertainment Center



**OBSERVATIONS:** The FCEC figures to continue being a competitive facility for meetings and events in the Fresno area. By offering approximately 127,000 square feet of meeting and event space, as well as a theater for smaller performances and an arena for larger performances, the FCEC provides event planners with a good foundation for most events. Its presence in a significant market such as Fresno is important, and its operating loss in the past two fiscal years is normal for such a facility. Like most convention centers, the FCEC benefits from being in the city, which generally entails high accessibility to retail and entertainment offerings. This can be an important amenity for event attendees.

## CONCLUSIONS

Each of the facilities included within the peer set were developed in response to a community's desire to generate significant benefits for local and regional economies. Many were also designed to produce an annual Fair and to stimulate year-round utilization and tourism, all while leveraging the strengths of their respective marketplaces. Although there is variation in the size, orientation, and role that each of these facilities play in their communities, most are firmly grounded in their mission to encourage agricultural education and advancement, and demonstrate how a fair operation can evolve into a year-round exhibition, equine/livestock and consumer show destination with the right facilities, leadership and support.

In general terms, many of the regional fairgrounds offer newer facilities and/ or more recently renovated facilities than the LEC and a number have invested in outdoor event venues, landscaping and other support amenities such as attractive RV parks. Easy access, including public transport options, is also a key characteristic of many of the more successful fairgrounds and event venues. All of these enhancements help to attract year-round visitors to the fairgrounds.

# APPENDIX B



## PUBLIC SURVEY RESULTS

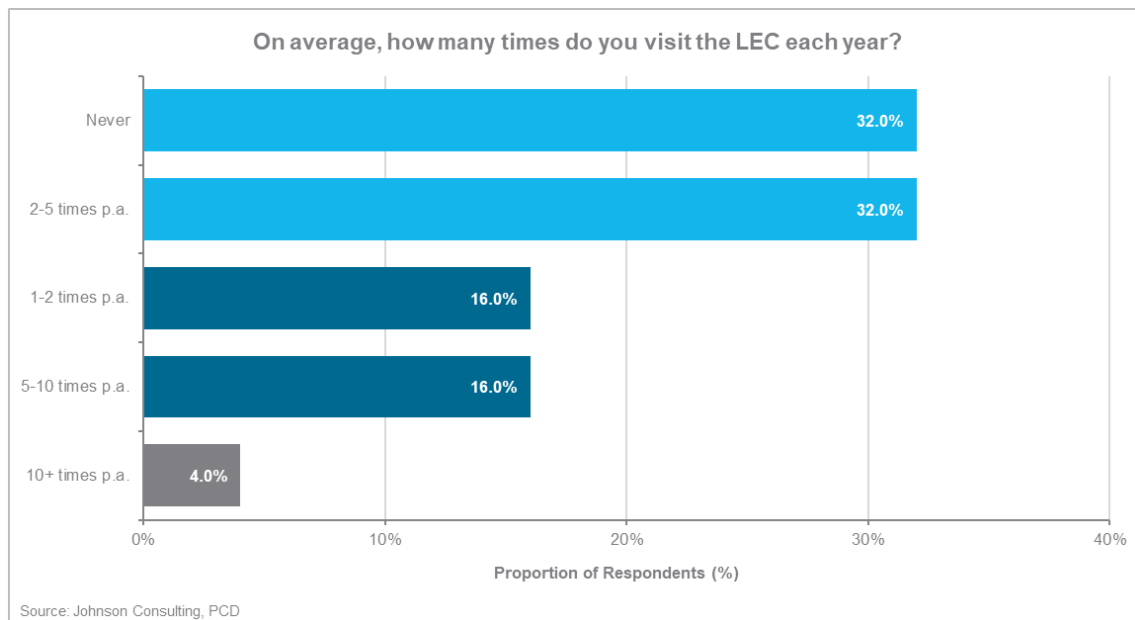
Johnson Consulting and PCD, in partnership with LEC staff, conducted a survey of the general public in and around Lane County in order to gain broader insight into the utilization and perception of, and desire for improvements to, the LEC campus.

Our survey instrument was developed utilizing a web-based program and was distributed electronically. A link to the survey was posted in several locations including the LEC website and the LEC Facebook page, and was distributed directly to the TLC Membership list, LEC Client list, Jefferson Westside Neighborhood Association members, Eugene Chamber of Commerce members, Springfield Chamber of Commerce members, and to all local media and Lane County employees via a press release from the Lane County Public Information Office. The survey remained 'active' for a period of approximately 3 weeks and we recorded 285 responses. Below is a summary of feedback provided to Johnson Consulting and PCD.

### UTILIZATION

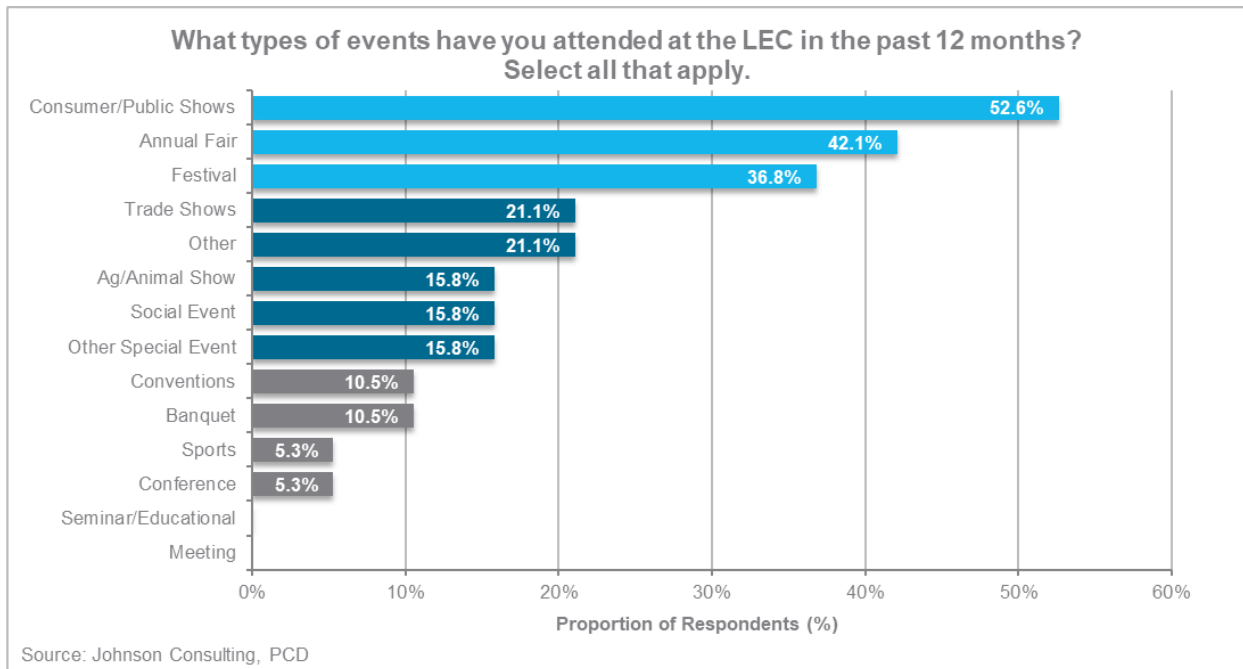
Survey respondents were asked whether they have ever visited the LEC and the vast majority (96.0 percent) indicated that they have. Figure B - 1 shows how many times, on average, respondents visit the LEC each year.

Figure B - 1



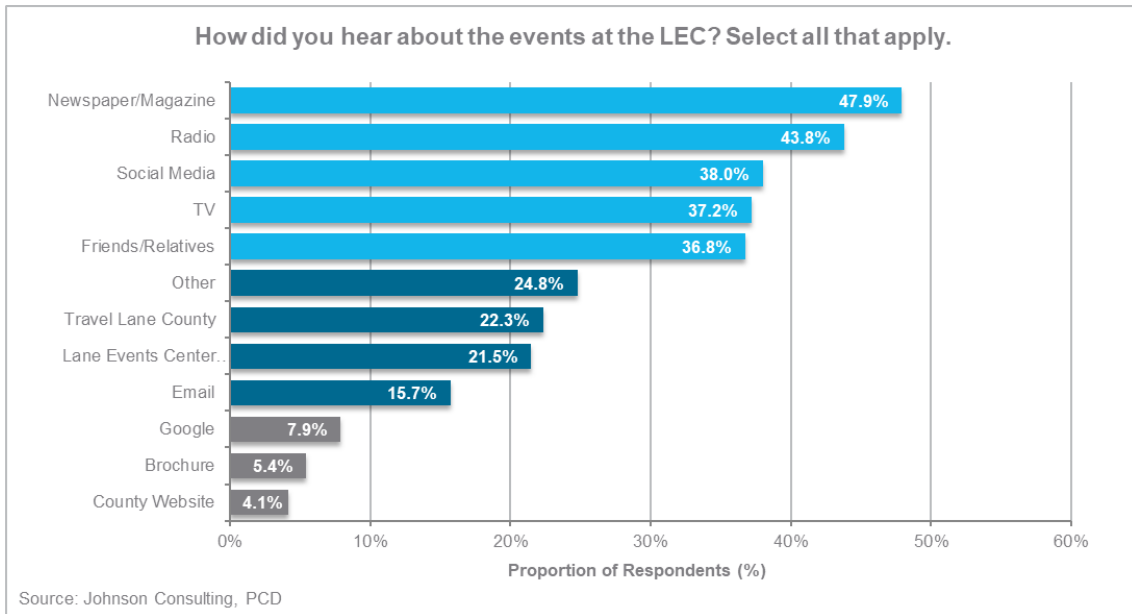
As shown, the highest proportions of respondents (32.0 percent) indicated that they visit the LEC 2-5 times per year or that they typically don't visit the LEC on an annual basis (it is noted that this is indicated as 'never' by survey respondents all almost all survey respondents have visited the LEC at some time). The next highest proportions of respondents (16.0 percent) either visit the LEC 1-2 times per annum or 5-10 times a year, with the remaining 4.0 percent of respondents visiting the LEC over 10 times per year. Figure B - 2 provides the types of events that respondents have attended at the LEC in the past 12 months.

**Figure B - 2**



The highest proportions of respondents indicated that they have attended Consumer/Public Shows (52.6 percent), the Annual Fair (42.1 percent) and Festivals (36.8 percent) at the LEC during the past 12 months. The next highest proportion of respondents (21.1 percent) have attended Trade Shows or Other events, followed by equal proportions of respondents (15.8 percent) who have attended Agricultural/Animal Shows, Social Events and Other Special Events. Interestingly, no respondents indicated that they have attended Meetings or Seminar/Educational Events at the LEC within the past 12 months. Figure B - 3 provides a breakdown of how respondents heard about events at the LEC.

Figure B - 3

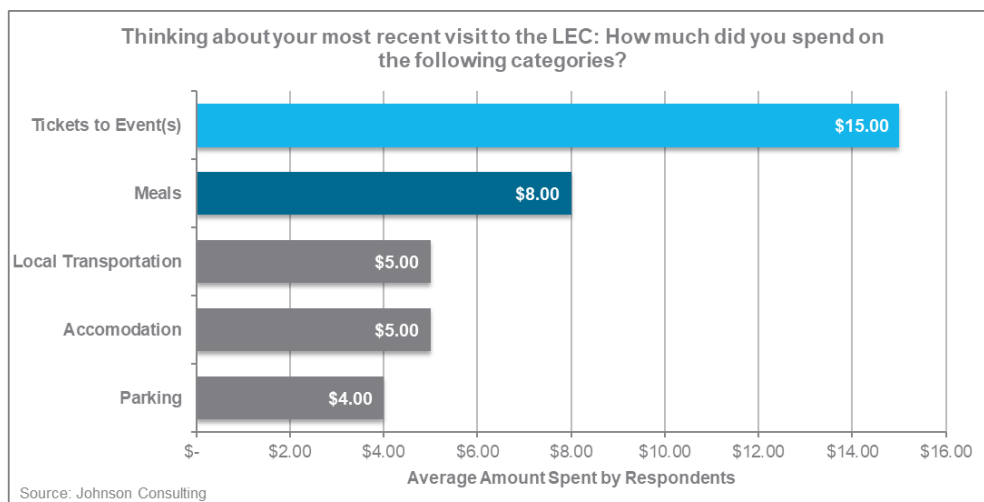


As shown, respondents most commonly heard about events at the LEC in the Newspaper/Magazine (47.9 percent), on the Radio (43.8 percent), through Social Media (38.0 percent), on TV (37.2 percent), and through Friends/Relatives (36.8 percent). Other ways that respondents heard about events at the LEC include Travel Lane County (22.3 percent) and directly from the LEC (21.5 percent).

## SPENDING

Figure B - 4 shows responses when survey recipients were asked about their typical spending when visiting the LEC.

Figure B - 4

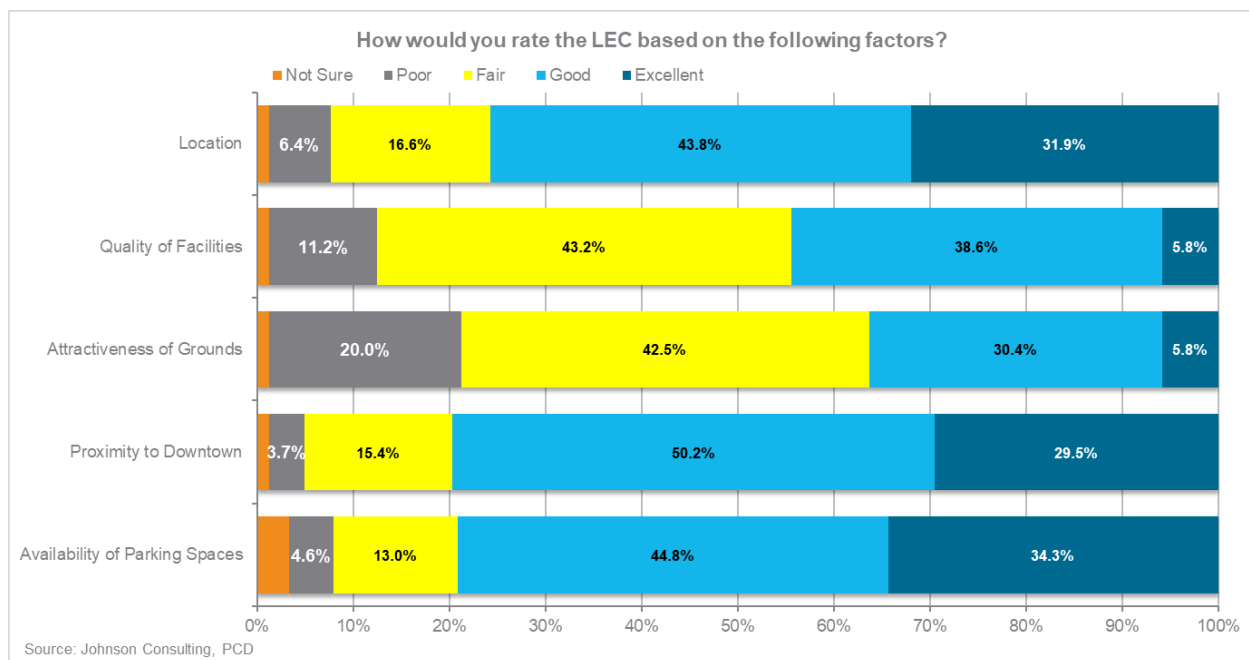


As shown, Tickets to Event(s) is typically survey respondents' largest expense when visiting the LEC, averaging \$15.00 per attendee. In addition, respondents spend an average of \$8.00 on Meals, \$5.00 on Accommodation and Local Transportation, and \$4.00 on Parking.

### QUALITY OF FACILITIES

Figure B - 5 shows responses by survey recipients when asked how they would rate the quality of the LEC based on several different factors.

Figure B - 5

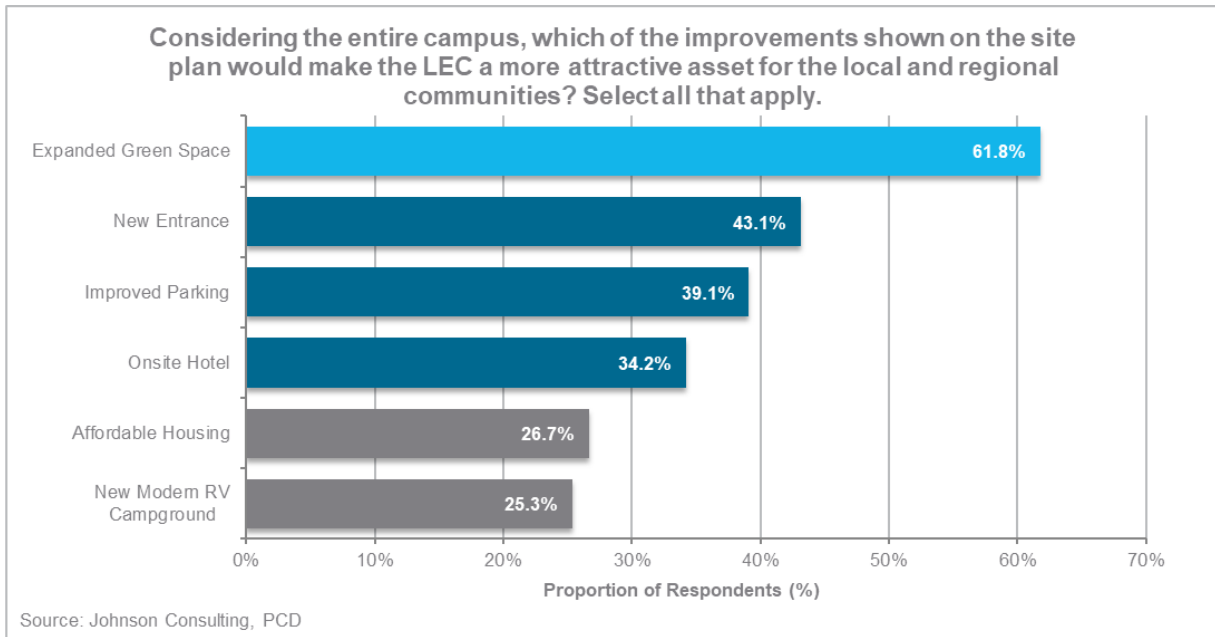


As shown, the factors that respondents ranked the highest were the Availability of Parking Spaces (34.3 percent 'Excellent' and 44.8 percent 'Good'), Location (31.9 percent 'Excellent' and 50.2 percent 'Good') and Proximity to Downtown (29.5 percent 'Excellent' and 43.8 percent 'Good'). In contrast, the Attractiveness of Grounds and Quality of Facilities ranked 'Poor' to 'Fair' among the majority of survey respondents, mirroring comments from current and prior users of the LEC indicating a need for the renovation and modernization of several facilities at the LEC, from both an attractiveness and functionality standpoint.

### DESIRED IMPROVEMENTS

Figure B - 6 shows responses when survey recipients were asked which improvements identified on the site plan would make the LEC a more attractive asset for the local and regional communities.

Figure B - 6



The most popular improvement among respondents was Expanded Green Space (61.8 percent), followed by a New Entrance (43.1 percent) and Improved Parking (39.1 percent). The addition of an Onsite Hotel was identified by approximately one-third of respondents (34.2 percent), while almost equal proportions of respondents indicated that Affordable Housing (26.7 percent) or a New Modern RV Campground (25.3 percent) would make the LEC a more attractive asset for the local and regional communities.

## OBSERVATIONS

While the preponderance of survey recipients have visited the LEC at least once, close to one-third of respondents (32.0 percent) do not visit the LEC on a regular basis. Consumer/Public shows, the Annual Fair and Festivals are among the event types most frequently attended by respondents, and the LEC is well perceived with respect to its location, particularly the proximity to downtown, and the availability of parking. Conversely, the factors most concerning to respondents are the quality of facilities and the attractiveness of the grounds. This issue was also mentioned in the User Survey and the Lost Business Survey. The overarching theme among respondents to all three surveys, and supported by our interviews with key stakeholders, is that the LEC would benefit from a modernization/renovation of its facilities to keep up with current meeting and event standards, and help to attract new and repeat business to the complex.