



March 3, 2023

To: Joint Subcommittee on General Government

Re: Support of the Oregon State Fair and Exposition Center

Dear Senator Patterson, Representative Smith, Senator Bonham, Senator Campos, Representative Chaichi, Representative Gomers, Representative Reschke and Representative Walters,

The Oregon State Fair and Exposition Center (OSFEC), a Public Corporation, was required to close and cease all operations March 2020 through much of 2021. Just recently we have seen a glimpse of business returning to pre COVID-19 status. This closure resulted in tough financial decisions of laying almost all OSFEC staff off, not having the 2020 Oregon State Fair and shuttering the property. The Oregon State Fair and Exposition Center estimated revenue loss for the State Fair and our 185-acre, 12 structure year-round exposition rental business of just over \$6 million dollars.

The Oregon State Fair and Exposition Center opened its doors to help our Oregon community with their many needs over the past 2 years. In 2020, the emergency and evacuee operations held at the Oregon State Fair and Exposition Center totaled 236 days or 65% of the year. During 2021 we opened our doors for use 262 days, which was 72% of the year. This included providing space and services for OHA Medical Facilities; Oregon Department of Education and OSU mask storage; Santiam Canyon Wildfire Evacuee Center; Cold Weather Houseless Shelter; wildfire hazard waste storage; animal shelter and sorting area; and numerous Covid-19 Testing and Vaccination Centers.

During these events we were made aware that the Oregon State Fair & Exposition Center does not have what is required to maintain an efficient fully operational Regional Emergency and Evacuee Center. OSFEC has struggled with limited resources to keep DAS's buildings and grounds rentable and safe. We have established a list of requirements based on the feedback received from our partners at the National Guard, Marion County Emergency Management, City of Salem, American Red Cross, Salem Health, Church in the Park and many others that utilized the grounds for emergency uses. To effectively be a fully functioning Regional Emergency and Evacuee Center, we are in dire need of the requested items to be funded to prepare for the future emergency needs of our community to ensure fire, life and safety needs are met. Based on their requests and the 2020 Facility Assessment we determined the following end of life needs:

- Replacement and repair of leaking building roofs
- Alarm and security upgrades
- HVAC repair and installation
- LED lighting upgrades
- Messaging installation and upgrades
- Asphalt repairs and installation

- Replacement of current condemned building to provide a community kitchen, emergency housing and storage
- Water safety and filling stations
- Purchase of generators
- Livestock building upgrades

OSFEC receives State funding of a little less than \$1 million per biennium to be used for all things funded by the general fund. Historically these monies help to offset usual and customary operational expenses. Additional sources of funding include revenue from yearly Expo business and the annual Oregon State Fair. These two revenue sources are continually reviewed to pinpoint real or potential revenue shortfalls. OSFEC utilizes a proven and effective financial model that includes, but is not limited to, profit and loss reporting; balance sheet and revenue aging reports. This information is submitted for approval and guidance of the Oregon State Fair Council six times per year. An independent audit/review is performed yearly as well as a daily Fair-time reconciliation. The Council directed the financial modeling which has allowed us to limit the possibility of cash flow crises.

Highlighted below is the OSFEC Mission and Vision statements which provides direction to our business plan to:

- Achieve or exceed year-round Expo sales revenue goals
- Successfully run a 11-day State Fair
- Host the Marion County Fair
- Work towards becoming a fully functioning Regional Emergency Evacuee Center

Funding would allow the OSFEC to prepare for future emergency needs. Our facility is the living room for our Oregon community and we want to welcome humans and animals in the most effective and safe way.

Sincerely,

Kim Grewe-Powell

CEO/Director

KGrewe-Powell@OregonStateFair.org

971-701-6566

A Public Corporation is an entity that is created by the state to carry out public missions and services. In order to carry out these public missions and services, a public corporation participates in activities or provides services that are also provided by private enterprise. A public corporation is granted increased operating flexibility in order to best ensure its success, while retaining principles of public accountability and fundamental public policy. The board of directors of a public corporation is appointed by the Governor but is otherwise delegated the authority to set policy and manage the operations of the public corporation.

Our Mission

The mission of the Oregon State Fair & Exposition Center is to provide a reason and a place for all people to gather, connect, learn, embrace excellence in all forms and celebrate the achievements of Oregonians.

Our Vision

We envision a relevant Oregon State Fair & Exposition Center that embodies good stewardship of the public's trust and serves as a self-sustaining asset for Oregonians to treasure long into the future.

2020-2022 Summary of Emergency Operation Activities at the Oregon State Fairgrounds (thru January 31, 2022)

Beginning in spring of 2020, the Oregon State Fairgrounds was used by multiple government agencies ("Client") in order to facilitate emergency needs for specific activities or projects as certain emergency incidents, or disasters occurred.

The State of Oregon is the owner/lessor of all facilities and land at the fairgrounds. Generally, if the Client is an agency of the State of Oregon, financial consideration was invoiced for only reimbursed hard costs, generally utilities, equipment and labor. Any other Client (county, city, federal, etc.) was charged either a negotiated rate, or full rack rate. Rack rate is defined as our most current published Schedule of Rates & Fees.

Below is a chronological order of different emergency use activities at the Oregon State Fairgrounds, followed by fees that were charged verses fees that would have been charged at rack rate.

INCIDENT: COVID-19 PANDEMIC

CLIENT: OREGON HEALTH AUTHORITY MEDICAL FACILITY

ACTUAL USE DAYS: THURSDAY, MARCH 19, 2020 – FRIDAY, JUNE 5, 2020

SYNOPSIS: An IGA (#DASPS-3398-20) was drafted between Oregon State Fair Council and Oregon Health Authority to utilize the Jackman-Long Building and the Columbia Hall and all adjacent parking areas for use as an emergency hospital to assist with the possible influx of COVID-19 patients that could have overwhelmed local hospitals. The military set up hundreds of beds, medical stations, a pharmacy area, RVs for sleeping quarters for staff and a shower trailer. Security was provided by either military or private security companies. State fair staff assisted moving or clearing out items. This hospital was never actually utilized as planned and moved out in early June.

FEES TO BE CHARGED AS PER IGA (REIMBURSABLES ONLY): \$12,399.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE: \$72,720.00

INCIDENT: COVID-19 PANDEMIC

CLIENT: OSU EXTENSION SERVICE – OPERATION PALLET DROP, Masks for Farmers

ACTUAL USE DAYS: TUESDAY – THURSDAY, MAY 26-28, 2020

SYNOPSIS: OSU Extension Service by way of Oregon Department of Agriculture used the parking lots, gates and part of the Jackman-Long Building to distribute hundreds of thousands face masks and sanitizer to Marion County farmers. This was done in a 3-day period. No IGA nor Agreement was executed, as OHA was current client for the facility and approved the use.

FEES CHARGED: Nothing

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE: \$1,980.00

Continued

INCIDENT: COVID-19 PANDEMIC

CLIENT: OREGON DEPT OF EDUCATION

ACTUAL USE DAYS: JULY 24, 2020 - AUGUST 14, 2020

SYNOPSIS: F.E.M.A. were sending millions of masks to Oregon from the east coast, to be distributed to school districts all over the state, in anticipation of schools opening in the Fall. Oregon Dept of Education did not have the storage facilities and scrambled to find storage, shipping and receiving places. An IGA was drawn up for this purpose with the provision of only paying the cost of reimbursables (labor and forklift propane). Wayne at the state fair unloaded, stacked and re-loaded approx. 10 semi-trucks during this time period.

FEES TO BE CHARGED AS PER IGA (REIMBURSABLES ONLY): \$573.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE: \$9,373.00

INCIDENT: SANTIAM CANYON WILDFIRES

CLIENT: MARION COUNTY EMERGENCY MANAGEMENT

ACTUAL USE DAYS: TUESDAY, SEPTEMBER 8, 2020 – THURSDAY, SEPTEMBER 24, 2020

SYNOPSIS: The multiple summer wildfires that swept through the Santiam Canyon on September 7 yielded many evacuees, human, livestock and small animals. Approximately 2000 livestock and small animals were housed, watered and fed during this time period by staff obtained from Marion County in the Livestock and Horse Barns. A Facility Use Agreement (OSFEC #20-8986) was drawn up providing for rack rate fees.

FEES CHARGED AS RACK RATE TO MARION COUNTY: \$67,232.56

AMOUNT PAID: \$67,232.56

INCIDENT: SANTIAM CANYON WILDFIRES

CLIENT: AMERICAN RED CROSS

ACTUAL USE DAYS: TUESDAY, SEPTEMBER 8, 2020 – WEDNESDAY, SEPTEMBER 30, 2020

SYNOPSIS: The multiple summer wildfires that swept through the Santiam Canyon on September 7 yielded many evacuees, human, livestock and small animals. Approximately 1200 persons were housed, and fed during this time period by volunteers and paid staff of the American Red Cross. The Jackman-Long Building, Columbia Hall, Floral Building and Parking Lots were utilized for this operation. A Facility Use Agreement (OSFEC #20-8987) was drawn up providing for rack rate fees. The payment stands in arrears.

FEES CHARGED AS RACK RATE TO AMERICAN RED CROSS: \$97,282.00

AMOUNT PAID: \$0

INCIDENT: SANTIAM CANYON WILDFIRES

CLIENT: ENVIRONMENTAL PROTECTION AGENCY – HAZARDOUS WASTE TEMP. STORAGE

ACTUAL USE DAYS: THURSDAY, OCTOBER 1, 2020 – THURSDAY, DECEMBER 31, 2020

Continued

SYNOPSIS: The wildfires left behind hazardous waste at hundreds of properties up in the Santiam Canyon. A contractor was employed by the EPA to collect, contain and ship off all of this waste, using the fairgrounds as the collection area. Two Facility Use Agreements (OSFEC #20-8989 & 8996) were drawn up with EPA's contractor, Environmental Quality Management providing for rack rate fees. The payment has been paid in full.

FEES CHARGED AS RACK RATE TO ENVIRONMENTAL QUALITY MANAGEMENT: \$134,200.00

AMOUNT PAID: \$134,200.00

INCIDENT: COVID-19 PANDEMIC

CLIENT: OREGON EMERGENCY MANAGEMENT IN PARTNER WITH MARION COUNTY HEALTH & HUMAN SERVICES – COVID-19 DRIVE-THRU TESTING

ACTUAL USE DAYS: ELEVEN PARTIAL DAYS BETWEEN NOVEMBER 18, 2020 AND JANUARY 6, 2021

SYNOPSIS: Marion County used part of, and all of Columbia Hall, and lots for drive-thru COVID-19 swab testing. A Facility Use Agreement was drawn up providing for a negotiated hourly rate to cover utility and labor costs.

FEES CHARGED: 2,765.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE: \$16,500.00

INCIDENT: COVID-19 PANDEMIC

CLIENT: SALEM HEALTH FOUNDATIONS – COVID-19 VACCINATION CLINIC

ACTUAL USE DAYS: JANUARY 6, 2021 – JULY 24, 2021

SYNOPSIS: Salem Health, in cooperation with Marion County Health and Oregon Nat'l Guard, set up a mandated vaccination clinic in an effort to vaccinate enough Oregonians to reach immunity from the COVID-19 pandemic. Most of fairgrounds and several heated large buildings used daily. Monthly Facility Use Permits are drawn up providing a negotiated rate of \$1000.00 per day, per building used. This is substantially discounted with possibility of receiving the rack rate in the future from addition federal funding. Payments are current and on-time

FEES CHARGED THROUGH JULY 24, 2021: \$228,400.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE, THROUGH JULY 24, 2021: \$772,199.00

INCIDENT: SALEM COLD WEATHER HOMELESS CRISES

CLIENT: CHURCH AT THE PARK / CITY OF SALEM

ACTUAL USE DAYS: FEBRUARY 1, 2022 – MARCH 28, 2021

SYNOPSIS: Due to unusually cold weather forecast for Salem, and a week-long ice storm, the City of Salem requested use of the multipurpose Pavilion as an emergency shelter for up to 100 indoor "campsites" for homeless persons. The lessee ended up being Church at the Park, a non-profit contracted by City of Salem to oversee this weather emergency. They moved out at the end of March, as previously agreed.

FEES CHARGED THROUGH MARCH 28, 2021: \$56,000.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE: \$168,000.00

INCIDENT: COVID-19 PANDEMIC

CLIENT: SALEM HEALTH FOUNDATIONS – COVID-19 BOOSTER VACCINATION CLINIC

ACTUAL USE DAYS: OCTOBER 21, 2021 – NOVEMBER 18, 2021

SYNOPSIS: Once the COVID-19 booster shot became available in October of 2021, Salem Health was asked by OHA to set up a booster and/or initial shot clinic. They chose once-per-week use of the hospitality room at the fairgrounds multi-purpose pavilion, as it has east street access and an appropriate logistical set-up. The negotiated rate was \$500/day. Salem Health pulled out after a total of five use days and waning turn-out by mid-November

FEES CHARGED THROUGH NOVEMBER 18, 2021: \$2500.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE: Not available because the Pavilion hospitality room is not individually available to rent.

INCIDENT: COVID-19 PANDEMIC

CLIENT: ODHS - OHA Shared Service (CRRU)

ACTUAL USE DAYS: JANUARY 15, 2022 – ONGOING

SYNOPSIS: Oregon Department of Human Services and Oregon Health Authority needed a facility for a drive-up testing and walk up vaccination clinic, due to the winter surge of the omicron variant. A negotiated rate of \$500/day was agreed upon for both Pavilion hospitality room and the Pavilion parking lot. Due to contracted events taking place in the facility beginning early February, is was agreed to re-locate to another area of the fairgrounds beginning Feb 3. (Yellow Parking Lot)

FEES CHARGED THROUGH JANUARY 31, 2022: \$8500.00

FEES THAT WOULD HAVE BEEN CHARGED AT RACK RATE, THROUGH JANUARY 31, 2022: \$18,700.00

Article XI-Q Bond Financing and Other Financing Request Form

Capital Acquisition, Construction or Improvement of Real Property, Equipment or IT Systems

Please return the completed Request Form by **May 13, 2022** to:

Renee Klein, Capital Finance & Planning Manager

E-mail to renee.a.klein@das.oregon.gov

Department of Administrative Services, Chief Financial Office

155 Cottage Street NE, U10; Salem, OR 97301-3963

If you have any questions, please call Jean Gabriel at (971) 900-7691.

Agency: OREGON STATE FAIR COUNCIL

Contact Person: KIM GREWE-POWELL, CEO

Phone: 971-701-6566

E-mail: KGREWE-POWELL@OREGONSTATEFAIR.ORG

The Oregon State Fair and Exposition Center (OSFEC) opened its doors to help our Oregon community with their many needs over the past 2 years. Whether it be providing space and services for OHA Medical Facilities; Oregon Department of Education and OSU mask storage; Santiam Canyon Wildfire Evacuee Center; Cold Weather Houseless Shelter; wildfire hazard waste storage and sorting area; and numerous Covid-19 Testing and Vaccination Centers. OSFEC proudly was available to assist in any way necessary. Unfortunately, during these events we were made aware that the Oregon State Fair & Exposition Center does not have what is required to maintain an efficient fully operational Regional Emergency and Evacuee Center. The Oregon State Fair and Exposition Center has limped by with limited resources, but not in the most effective or safe way. We have established a list of requirements based on the feedback received from the National Guard, Marion County Emergency Management, City of Salem, American Red Cross, Salem Health, Church in the Park and many others that have used the grounds. To effectively be a fully functioning Regional Emergency and Evacuee Center, we are in dire need of the requested items to be funded to prepare for the future emergency needs of our community.

Thus far from 2020 to 2022, we were able to invoice and collect \$308,637 for emergency and evacuee building use. The actual rental rates for building use would have been \$1,059,472. This left a deficit of \$750,835. In a moment's notice, laid-off employees were called back, gates were opened, lights on, heat/AC (where available) turned on and doors were opened to be a Regional Emergency and Evacuee Center. Oregon State Fair and Exposition Center's normal rack rates were created to pay expenses and reinvest in the facilities, equipment and operations that enable us to be here for our community and a successful rental facility.

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- In 2020, there were emergency and evacuee operations held at Oregon State Fair and Exposition Center for a total of 236 days, which was 65% of the year.
 - In 2021, there were emergency and evacuee operations held at Oregon State Fair and Exposition Center for a total of 262 days, which was 72% of the year.
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Although these figures are pretty astounding, we of course were happy to help in any way we could. Moving forward, OSFEC wants to be proactive as we look to the future of providing the community with a safe Regional Emergency and Evacuee Center. Investing in our State-owned facilities will benefit the entire State of Oregon. We appreciate your consideration and understanding with our plea for funds to update our dilapidating older facility.

CAPITAL IMPROVEMENTS

PRIORITY	PROJECT	LOCATION	DESCRIPTION	ESTIMATED COST
1	Pavilion Roof	Pavilion	Actively leaking. Originally roof was not installed properly, replacement needed with no skylights.	\$2,000,000
3	Alarm System Replacement	Total Grounds	Fire alarm system is outdated and not working properly. Repairing current system is becoming more and more difficult due to age of equipment and lack of parts. System is at the end of it's life and replacement is needed.	\$300,000
4	Stage Structure; Sound Pits; Towers; Railing; Restroom Upgrade	LB Day Amphitheatre	Lighting systems, sound pits and posts/rails are at the end of their life cycle. Restrooms are in need of upgrades to make ADA compliant and gender neutral.	\$590,000
5	Cascade Hall Restroom Remodel and Roof Replacement	Cascade Hall	Upgrade restrooms to ADA compliance and safety. Roof is at end of life, leaking and causing damage to building. Needs replacement.	\$500,000

6	Upper Roof HVAC Units (8)	Jackman Long	Replace end of life HVAC units. Repairs and supplies are getting harder to come by. Performance is hindered due to the age of the units.	\$350,000
7	HVAC Upgrades – Air-conditioning	Jackman Long Columbia Hall Cascade Hall	Upgrade AC units in each building.	\$600,000
8	Indoor Lighting Upgrade to LED Lights	Replace lights with LED lighting in all building	Lighting systems need to be replaced for safety, security, and cost efficiency.	\$400,000
9	CMU Efflorescence – Administration Office Steel Window Casing Replacement and Replace Windows.	Jackman Long – Administration Office in stairwell, upstairs and downstairs offices	This project upgrades Jackman Long interior walls damaged by efflorescence and long-standing window leaks. Replace all windows.	\$250,000

EMERGENCY PREPAREDNESS

PRIORITY	PROJECT	LOCATION	DESCRIPTION	ESTIMATED COST
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2 (a)	Security Camera Equipment, Wireless Broadcasting/PA System Equipment to Match DOJ, Upgrade/Replace Equipment for WIFI & Security Upgrades, Public WIFI Upgrade Equipment and Server Upgrades. IT Radios/Phone Emergency System Upgrade to Align with State Agencies & Local Jurisdictions	Total Grounds	Provide security and safety to patrons and employees at the Oregon State Fair & Exposition Center; improve storage and networks across grounds; upgrading/replace equipment to provide access for security devices and staff as needed to monitor across the grounds and remotely; installation of a PA system for ground-wide communications.	\$725,000
2 (b)	Digital Messaging Package	Total Grounds	Messaging for emergency use, to be used for evacuation site communications with community members affected by Emergency Evacuations or Threats. Install permanent Reader Boards (6 – Sunnyview, Orange, Pavilion, 17th, Silverton – Yellow, Silverton – Lana). Trailer mounted led solar message boards (2).	\$835,000
2 (c)	HVAC Install – Air-Conditioning	Pavilion	Install AC in Pavilion for use during emergency needs and year-round, building does not have AC.	\$800,000

2 (d)	Parking Lots and Asphalt Improvement to Include Parking Lot Striping and Replace Halogen Lights with LED Lighting Throughout Grounds	All non-paved parking lots – Blue, 17 th Street, Orange, Camping Area, Horse Show Barns and Pink Lots and all asphalt lots, Carnival, Jackman Long, Pavilion, and Commercial vendor lot.	Asphalt parking lots and upgrade other site-wide asphalt. Improvements are necessary as many non-paved parking lots are not safe, usable and limit capacity during much of the year due to rain and lack of drainage.	\$2,345,000
2 (e)	17 th Street Lit Crosswalk	17 th Street	Needed for year-round safety for patrons crossing from the parking to facility on 17 th street.	\$150,000
2 (f)	Bring building up to code and useable condition	4-H Exhibit Hall	Replace siding and paint exterior walls; electrical systems; plumbing, structural improvements; install fire/life safety units; heat and air conditioning. Replace current restrooms to ensure ADA compliant and gender neutral.	\$4,000,000
2 (g) Remove. Covered by Grant received through Marion County.	Livestock Office and Livestock Pavilion – Restrooms>Showers	Livestock Office and Livestock Pavilion	Upgrade restrooms and showers for ADA compliance and safety.	\$325,000
2 (h)	Curved Security Fence Panels & Power Gates	Total Grounds	Install fencing and gates to provide safety and security to grounds year- around and during emergency evacuation use.	\$2,000,000

2 (i)	Restore Horse Barns	Horse Barns	Replace exterior siding and paint; stalls and doors; soil footing; roof system and install new restrooms to ensure ADA compliant and gender neutral.	\$1,500,000
2 (j)	Race Horse Barn Upgrade and Repairs	Race Horse Barn	Replace roofing systems; flashing, stall doors; dirt footing, grading for drainage; lighting and fire/life safety units.	\$1,500,000
2 (k)	Water Bottle Filling Stations	Total Grounds	Replace current outdated water drinking fountains with hygienic water bottle filling stations.	\$55,000
2 (l)	Water Container System to Connect to Hose Bibs	Total Grounds	Install water container systems would make access to potable water feasible in case of emergency and events during a heat advisory.	\$75,000
2 (m)	Miscellaneous Needs for Emergency Use	Total Grounds	Install 5 generators for use in buildings. Purchase water buckets; wheelbarrows; shovels; picks, 80 hp tractor with front loader; auger; temporary fencing material; groomer/drag; 2 dump trailers; pens; water tank and 2 UTV's.	\$1,121,000

2 (n)	Vinyl Print Machine & Supplies	Jackman Long Building	On-site banner printing for Emergency Evacuation Site needs.	\$75,000
Capital Improvements Total:				\$4,990,000
Emergency Preparedness Total:				\$15,181,000
Grand Total: Deferred Maintenance, Improvements, Safety and Enhancements Priorities:				\$20,171,000