

**Minutes  
Fairgrounds Advisory Committee  
Wednesday, April 6, 2016**

**Convened:** 1:05 p.m.

**FAIRGROUNDS ADVISORY COMMITTEE MEMBERS:**

Larry Pedersen, Chair	Carolyn McCormick
Andy Duyck, Board of Commissioners	Mayor Jerry Willey
Bill Ganger, Fair Board Vice President	Hal Ballard

**STAFF:**

Rob Massar, Assistant County Administrator	Brad Anderson, County Counsel
Leah Perkins-Hagele, Fair Complex Manager	Geoffrey Kavulya, Facilities
Sia Lindstrom, Senior Deputy County Administrator	Janet Wells-Berg, CAO - AS II

**GUESTS:**

Josh Sanders, WCVA Board Chair and Hotelier	Anthony Mills, County Parks & Recreation Advisory Board Member
Michael Brown, City of Hillsboro	Bill Klug, Washington County Master Gardeners' Association

A) Call to Order – Chair Larry Pedersen called the meeting to order at 1:05 p.m. Members Erin Wakefield, Steve Nagy and Daniel Smith Pierson were absent.

- 1) **Public Comment I** - None
- 2) **Committee Introductions** – Chair Pedersen asked the committee and staff members present to introduce themselves.
- 3) **Roles and Responsibilities** – Senior Deputy County Administrator Sia Lindstrom presented a slide showing the roles and responsibilities of the committee. Lindstrom explained the Fairgrounds Advisory Committee (FAC) interacts with two other bodies – the Board of County Commissioners and the Fair Board, and explained the division of duties between the three entities and how they overlap with each other to ensure good communication.

Chair Pedersen reminded members that the FAC is advisory in nature; has no fiduciary powers or responsibilities, and is charged with evaluating different uses for the Fair Complex, as well as other alternative uses for the grounds and facilities. Pederson noted that in the past there has been some confusion about the FAC “spending money” – something the FAC doesn’t do but simply provides programmatic advice and suggestions up the chain of command.

- 4) **RV Park Update** – Assistant County Administrator Rob Massar reminded the committee that at their last meeting the county was still working on the IGA with the City of Hillsboro, but that it was now signed. The IGA laid out the Transfer of Title for 16 acres of land underneath the ballfields to the City of Hillsboro for future reconfiguration. In exchange and consideration for that, the city will build, with a maximum expenditure of \$2 million, a 5-acre RV Park for the ownership and operation of the county,

Chair Pedersen stated the ballfields had been under-utilized because the city ran them on top of the dirt that the county owned, and this was a creative way for the city and the county to resolve this to everybody's benefit.

Assistant County Administrator Rob Massar said they had worked through a conceptual design of approximately 45 spaces and are currently doing an environmental site assessment and a traffic analysis. As part of the pre-design phase, the county needs to go through the Planned Unit Development (PUD) process with the city's Planning Department for the entire site, to include not only the RV Park project but also the eventual Event Center. Massar explained that this Massar also stated that staff is applying for an Oregon Parks & Recreation Division Opportunity Grant to help offset some of the additional costs over the \$2 million that the City will be spending. Massar said that Dowl Consulting will be shepherding the PUD process through the city, representing the county. The aggressive estimated timeline for the opening of the RV Park is July, 2017.

Member McCormick asked if the Park would still be at the high-end level talked about last year. She was told it would incorporate natural gas individual fire rings, and would be very modern.

Member Ballard asked when the IGA has been signed. Ballard also asked if non-profits would have to pay the same high-end rate as everybody else did. Fair Complex Manager Leah Perkins-Hagele said they would.

Member Ballard asked what they knew about potential users of the new RV Park. Fair Complex Manager Leah Perkins-Hagele said the current small 12-bay RV Park located on the North side of the Fair Complex was full on a regular basis. A lot of show organizers had indicated they would like to bring in more RVs for their customers, and there were also shows waiting to come into the new Event Center that would bring RV users also. Perkins-Hagele noted the current spaces do not offer the amenities that a modern RV user would want like higher level of electricity, sewer connections, and a better water supply.

Member McCormick said the Fair Grounds was a great location for the Park, especially as it was on the MAX line and was accessible to downtown Portland. The faster it was built, the better. It would be a funding source, not just for the Fair but for the Washington County Visitors' Association also due to the Transient Lodging Tax (TLT) users would be paying. Fair Complex Manager Leah Perkins-Hagele noted that the decision on how the day-to-day operations of the proposed RV Park would be managed had not been made yet.

- 5) **Event Center Update** – Chair Pedersen reminded the members that the reason there was a long gap between the last full committee meeting and today's meeting is because the sub-committee (Pederson, Duyck, McCormick, Willey and staff members Massar, Lindstrom and Perkins-Hagele) together with LRS Architects, have been discussing funding sources, construction issues, concept designs, and a variety of other issues. There was also an update of the market study that the WCVA had originally funded back in 2013.

Assistant County Administrator Rob Massar noted the last time the committee met they had identified a very sizeable gap in funding the Event Center, which led to the forming of the sub-committee. The charge of the sub-committee is to review available funding sources, and the possible reduction in size and configuration of the Event Center to still meet the market

demand identified in the market analysis. Gain Share money was a large piece of the existing funding source. The Legislature changed the Gain Share program, but it would still provide stable revenues over the next ten years. They worked through the Gain Share program with the County Board of Commissioners, which resulted in \$20 million being identified for the Event Center over the next nine years. Some upfront bonding will still be required though. The WCVA made a pledge of \$1 million from their Reserve Fund, and the county matched that pledge with a \$1 million from its TLT reserves. The WCVA also went a step further, and dedicated, over the life of their grant agreement with the county, an additional ½ cent of TLT out of each 3 cents that they receive from the county, which equates to roughly \$3 million. In total, about \$24 million has been identified for this project.

The sub-committee worked with LRS Architects to try to bring the estimated cost of the Event Center down, and they worked through a number of different scenarios trying to create shared spaces with meeting rooms and the expo hall, which resulted in the design shown. The new design had less square feet – 87,240, from the original target number of 93,000 square feet. The new cost estimate for that resulted in a \$36 million project, so there is still a large funding gap. They asked Markin Consulting about reducing the size of the Event Center footprint to bring the cost down further, but was told if they downsized any more it would jeopardize the large, contemplated events at the Center and therefore reduce revenue streams. Chair Petersen said the sub-committee was generally cautious about the whole idea of downsizing too much, and the second look at the market study re-affirmed that.

Assistant County Administrator Rob Massar said that a couple of other areas had been identified for possible savings – by reducing the number of parking spaces and trading some interior space for outdoor covered space. They asked the consultants what their estimate would be for the appropriate amount of parking to support the kinds of events contemplated in this Event Center, and did some research at the Portland Expo Center. The two were somewhat similar because they were both served by light rail. Markin suggested that about 500 spaces would be the appropriate amount to serve the Center; quite a bit less than the original reading of Hillsboro's Code would require. It was suggested that 15,000 square feet of indoor conditioned space be replaced with outdoor covered space, which would still attract larger events like boat shows. By doing those two things, an estimated \$3 million could be saved, which would leave a funding gap of \$9-10 million. Since then there has been back and forth discussions, internally, regarding possible increasing the county TLT county-wide, to close that gap. This tax is currently at 9%, and the City of Portland's TLT is at 14.5% before the state's percentage which is increasing on July 1, 2016. Of the 9 cents that the county collects, there is the original 5 cents TLT that is shared 50/50 with the city in which the tax is generated, to be used for General Fund purposes. In the 1980s there was a county-wide bond measure to increase it from 5 cents to 7 cents, and it dedicated 1 of those 2 additional cents to support the annual Fair and the year-round operation of the Fair Complex, and the other 1 cent to support tourism promotion. At that time, there was a Convention Visitors' Bureau to provide tourism promotion across the county. In 2006/07 there was another county-wide vote to increase TLT from 7 cents to 9 cents, both cents dedicated to programs to promote tourism.

Member Duyck said if they got to the point where they did increase the TLT that would require a county vote, which could have an uncertain outcome.

Member McCormick said there is an additional 1 cent that goes to the State of Oregon for travel and tourism promotion; and as of July 1<sup>st</sup> the state-wide TLT will increase by another 0.8 cents, increasing the total TLT collected in Washington County to 10.8 cents. She said the cost estimate for the Event Center would only go up because of the rising building costs.

Chair Pedersen said it would also be helpful at some point to compare Washington County against Multnomah County and elsewhere, because it was all part of the future thought process about increasing TLT.

Member McCormick said there will be several hundred new hotel rooms coming online soon, with two hotels in the Hillsboro area scheduled to open within the next six months, and many other hotels scheduled for the next 12-18 months. The WCVA is doing everything it can to develop the marketing and promotion of the area. Member McCormick also she was surprised that a center or facility hasn't been built sooner to meet today's needs and future needs in Washington County. This project is very important to the WCVA and they are committed to it, but an increase in the TLT wouldn't be an easy thing to do.

Josh Sanders, Chair of the WCVA Board, and General Manager of Embassy Suites Hotels in Hillsboro, said he has been in the hotel business for a long time. Sanders noted that Hoteliers are one of the few businesses where customers are taxed, so he wants to be a part of the discussion. He cares about where the TLT money is spent, and said it is legally mandated to go towards tourism-focused projects. He said with all the new hotels that will be opening in the area, something must be done to drive demand and bring people into town to fill all those extra hotel rooms.

Chair Pedersen asked how important the new Event Center is in terms of a positive impact on the tourism industry.

Josh Sanders said that a lot of the revenue Embassy Suites saw during the week came directly from Nike and Intel. His challenge is to bring in more guests on the weekends. The new Event Center will put Hillsboro in a much different place than it is right now.

Member McCormick said the Event Center will be a very welcome addition to a vibrant, growing city like Hillsboro, and that they had an obligation to fill all the new rooms that will be coming. Travel and tourism is a powerful and strong industry, and she is hoping the Event Center will be built sooner rather than later. McCormick noted that the WCVA can't use all of their funds to help build it, as they still had to develop and market other parts of the county. They needed to ensure that they build a building for the future, with enough rooms to host many conferences and high school graduations.

Member Duyck said what member McCormick was proposing could close the funding gap, but they didn't know that yet because they hadn't run any numbers. He said she would have to make a proposal to the WVCA Board but there were several different scenarios under which it could be done like changing the rate, changing the length of time, and figuring out how much the WCVA could commit without damaging its core mission.

Member McCormick said she would work with Rob Massar, and that now was a good time to do that because they were in their fiscal year budget planning process. She said she'd be meeting with the county and the city later this afternoon regarding forecasting. It was a matter of looking at the figures that Rob Massar ran on their 3-year commitment, the conservative project figures that she ran, and the revenue increases they would be receiving this fiscal year, and ensure that the numbers worked. She would need to obtain permission from the WCVA Board to go with a higher number, while still ensuring they would be able to maintain the capital projects program they had in place. They currently allocated \$350,000 to other capital projects in the county. She would be presenting the budget to the WCVA Board and the Finance Committee in May this year.

Josh Sanders said he supported what Member McCormick had said, and didn't think it would be a very hard sell. Rob Massar said it wasn't so much about the dollar amount, but the duration of time.

Member Duyck said if the Board of Commissioners kept the ½ cent back, they could then bond against it and take it out for a longer duration than what the contract with the WCVA allowed for.

Chair Pedersen said there were a couple of alternate ways that they could plough through that by doing by a re-allocation within the existing rate.

Assistant County Administrator Rob Massar said when they first talked about an increase in the TLT, they were really talking in a broader sense about funding other future projects also and having a future vision. They still need to discuss what those needs may be, whether the tax increase interest was still there, and how it would be collected and allocated for.

Josh Sanders said they couldn't sacrifice the integrity of the WCVA; and had to be reasonable about how and where they obtained the money from.

Michael Brown said a potential TLT increase would need to involve a broader group of stakeholders, as at this point it appeared there had only been a limited discussion about it. He said he had a great deal of support for this project and wanted to see it happen in Hillsboro, but they needed to be thoughtful about how a possible tax increase would be presented to the public.

Chair Pedersen said the longer they wait on this particular project, the more expensive and difficult it will be.

Josh Sanders said it is a priority for the WCVA to fund this project and, given the fact there is a pretty significant increase projected, and that more hotel rooms will be coming, they could look at it as a whole and still be able to look at funding the project.

Assistant County Administrator Rob Massar said he would look at those numbers again without any tax increase, and then have a longer, more thoughtful conversation about the future of the TLT.

Josh Sanders said he was excited as an Hotelier to hear that the cities might want to talk with the hotel industry. It is important for cities to understand that tourism is a real industry that is bringing in real tax dollars, but they would still have to talk about that money being spent only on tourism-related things.

Assistant County Administrator Rob Massar said they had identified a lack of communication between the WCVA and the cities regarding promotion.

Josh Sanders said it is very important that there be a partnership between the Hoteliers, the WCVA, and the cities. He said there may be some projects happening that did not meet the criteria.

Chair Pedersen said that moving this project forward will require accurate, specific communications with all stakeholders including the Fair Board, people interested in the Events Center, and others.

Assistant County Administrator Rob Massar said the state will be increasing the state lodging tax by 0.8 cents and, as part of that legislation, it required Travel Oregon to then share 20% with the seven Regional Cooperative Marketing Programs. The Greater Portland region would therefore receive approximately \$2.8 million and, of that, roughly \$400,000 was generated in Washington County. However, the county currently doesn't receive any of that money as it all goes to Travel Portland, so there needs to be discussions regarding how that is allocated.

Member McCormick said that money had to be used for marketing, but there is also an additional 15% state-wide that is going into the pot for capital project grants that anybody can apply for. McCormick stated that she was glad that the committee was here today talking about this and trying to find a resolution for it. There may be the possibility of a grant option down the road.

Member Mayor Willey asked if money was the only barrier to this Event Center happening, and was told it was. He said he supported member McCormick's comments that the need and the opportunity for this was now, and that they couldn't wait two more years.

Member Duyck said there were still some variables like the size and design of the kitchen at the new Center, as that could make a big difference to the final cost.

- 6) **Proposed Fair Complex Policies** – Fair Complex Manager Leah Perkins-Hagele said that most, if not all, of these policies used to be under the purview of the Fair Board until 2010 when the MOU was established. Since that time the Fair Complex has had no policies for non-Fair time.

Senior Deputy Sia Lindstrom said these policies were a little outside the purview of the FAC, but they wanted to give committee members the chance to comment on them before they went to the Board of County Commissioners for approval. The comment period for feedback was from today until the end of April, and the document would go before the Board in May. She read through the table of contents for general provisions and facility policies, and gave a quick overview for each section. These policies guided everything year-round except for the month of July when the Fair Board had authority over the Fair. The Fair Board has separate, but similar, policies for the month of July.

Brad Andersen added some comments about the Advertising, Canvassing, and Soliciting section.

Senior Deputy Sia Lindstrom asked for any written comments to be submitted to the CAO by April 30<sup>th</sup>.

- 7) **County Fair Update** – Fair Complex Manager Leah Perkins-Hagele said the Fair facility was built in the late 1940s so it not a modern facility for a modern fair. This leads to challenges and additional expense. She said the Fair Board does a great job of approving a budget that allows them to rent a lot of generators, and to bring in a lot of tents and other equipment to get by. The public therefore does not know that putting on the annual Fair is a struggle. This year's Fair will be held between July 28<sup>th</sup> - 31<sup>st</sup>. Three big name concerts are scheduled for this year; the Rodeo and MotorSports Mania events will be returning; and all the other traditional Fair activities will be happening. The Carnival will also be there, which gets bigger and better every year.

Chair Pedersen asked about animal safety in the old barns. Fair Complex Manager Leah Perkins-Hagele said that when those barns were built people didn't think about liability as much as they do today, so they were not designed to keep the public safe from themselves around livestock.

Fair Board Vice President Bill Ganger said the industry had changed a lot since the 1940s and that electricity is at a premium here. They have to put generators behind one barn because it can't be powered when any type of electrical equipment is turned on. He gave kudos to the county staff for their outstanding work with the Fair.

Fair Complex Manager Leah Perkins-Hagele said that people who are not around livestock are susceptible to animal-borne disease like E-Coli, especially the very young and the very old. The barns don't have a lot of protections for that, so staff has to do a lot of public awareness work around sanitation.

Member Ballard volunteered to help organize the "Ride to the Fair" event on opening day, and was told it was appreciated.

Member McCormick said that on May 6<sup>th</sup> the WCVA would be hosting the annual National Tourism Week Celebration, between 11:00am -2:00pm, at the Fair Complex Main Exhibit Hall. They will be honoring some outgoing Board members who have served for a long time, and celebrating the power of travel and tourism on the county's economy.

Member Ballard said the Aloha Community Farmers' Market would be starting on May 5<sup>th</sup>, by the Peppermill Restaurant on Farmington Road.

Fair Board Vice President Bill Ganger said the Tualatin Valley Garden Club would be having their Plant Sale on April 22<sup>nd</sup>-24<sup>th</sup> here in the Friendship Square area.

8) **Public Comment II –**

- i) **Anthony Mills** – Mr. Mills stated he is the Chair of the Washington County Parks & Recreation Advisory Board, and that they have four openings on that Board due to three resignations and one person leaving the county. The Boards and Commissions application season is currently open, and runs until April 26<sup>th</sup>. Mr. Mills said the Board of Property Tax Appeals is also looking for new members. This year that Board met five times and was usually the maximum amount of time needed. This Board is one of the few that pays its members. He encouraged everybody to look at the information for these two Boards, and said applications could be found on the county's website.
- ii) **Bill Klug** - Mr. Klug said the Washington County Master Gardeners' Plant sale would be held on April 23<sup>rd</sup> at 9:00am, at the Hillsboro Armory next door.

Chair Pedersen suggested the next FAC meeting should be scheduled for the end of May or early June, and thanked everybody for their time and attention.

B) Adjourn – With no further business before the Committee, Chair Pedersen adjourned the meeting at 2:47 pm.

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**Leah Perkins-Hagele**  
**Recording Secretary**

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**Larry Pedersen**  
**Committee Chair**