

BENTON COUNTY EVENT CENTER & FAIRGROUNDS FACILITIES MASTER PLAN



August 2019

Implementation Proposal

This report presents the master plan implementation phasing recommended by the Fair Board to the Benton County Board of Commissioners

Benton County Event Center & Fairgrounds Facilities Master Plan

IMPLEMENTATION PROPOSAL

FACILITIES MASTER PLAN

In 2018, the Fair Board contracted with Markin Consulting to produce a Market Demand and Financial Feasibility Study, which was utilized in the development of the 2019 Benton County Fairgrounds Master Plan. Main focuses of the plan were to define current and future event center user groups and design facilities to support their activities, strategically locate facilities, organize circulation, increase accessibility, and beautify the site. In March 2019, the master plan was approved by the Benton County Board of Commissioners.

This report presents the implementation phasing as recommended by the Fair Board to the Benton County Board of Commissioners.

Public Engagement

The public engagement phase of the master plan update was led by Markin Consulting which included work sessions with stakeholders, public meetings, and surveys of the general public. On October 16 and 17, 2018, Rod Markin and Chip Overton of K/O Fairgrounds Planners, hosted ten stakeholder meetings attended by 52 representatives of Benton County departments, Fair Board, OSU, 4-H, Visit Corvallis, Chamber of Commerce, OCWCOG, Oregon Restaurant & Lodging Association, Fair Foundation, and Linn-Benton Community College. Also represented in the stakeholder meetings were current fairgrounds user groups including da Vinci Days, Pastega Christmas Light Display, Poultry Swap & Homesteading Fair, Willamette Dog Agility, Benton Soil & Water Conservation, and equestrian teams. Approximately 40 people attended the two public meetings held in October 2018. In addition, an online survey was made available through the fairgrounds website and social media, resulting in 691 responses.

A new phase of public engagement will be developed as each step in the master plan implementation is addressed.

Fair Board

The Fair Board held a work session, attended by Facilities Manager Paul Wallsinger, to review the various components of the Master Plan and develop three potential implementation plans, prioritizing projects based on operational need, potential revenues, user group service, and anticipated funding. During the July 15, 2019 Fair Board meeting, members voted to submit one preferred implementation plan proposal to the Board of Commissioners for consideration.

Implementation Plan Proposal with Estimated Costs

PHASE 1 – Fall/Winter 2019 – Spring 2020

Project Description	Low Estimate	High Estimate
Remove walls of pony barns (leaving roofs) and convert to RV storage	\$5,000	\$10,000
Construct new storage building on-site and clear the wedding barn for rentals	\$75,000	\$100,000
Auditorium upgrades and commercial kitchen	\$250,000	\$400,000
Enclose solar building and install large roll-up doors	\$50,000	\$75,000
RFP for architect to design exhibit hall and covered arena	\$75,000	\$75,000
TOTALS FOR PHASE 1	\$455,000	\$660,000

PHASE 2 – Fall/Winter 2020 – Spring 2021

Project Description	Low Estimate	High Estimate
Conversion of Benton Arena to Exhibit Hall (including rental equipment)	\$3.5 million	\$4 million
Cover and upgrade outdoor arena (Actual estimated costs \$2 million - \$3 million; Fair Board proposes \$500,000 seed money from county with balance funded through community fundraising efforts)	\$500,000	\$500,000
New bathroom structure to serve covered arena/solar building	\$500,000	\$500,000
TOTALS FOR PHASE 2	\$4.5 million	\$5 million

PHASE 3 – Fall/Winter 2021 – Spring 2022

Project Description	Low Estimate	High Estimate
Build new livestock pavilion (RV storage 10 months per year)	\$1 million	\$2 million
Construct new entry plaza and remove 2 livestock sheds	\$100,000	\$300,000
Replace/renovate wedding barn	\$750,000	\$1 million
TOTALS FOR PHASE 3	\$1.85 million	\$3.3 million

High and low estimates for individual projects are based on the Markin Consulting report unless quotes from local contractors/consultants have been received, then updated estimates have been applied.

Funding Sources

During the 2019-2021 biennium, the Capital Improvement Project Committee (CIP) designated \$750,000 towards fairgrounds master plan upgrades. \$250,000 of the CIP funding is restricted in use and must be expended on an economic development project. As a primary rental facility, the Auditorium upgrades and commercial kitchen would meet the requirements set forth for an economic development project. In the master plan report prepared by Markin Consulting, the upgrades to the Auditorium were prioritized for the immediate market potential with the lowest investment. The Fair Board recommends that master plan implementation begin during the Fall of 2019 with the top five priority projects completed utilizing CIP funding (low estimate \$455,000; high estimate \$660,000).

Effective July 1, 2019, Benton County imposed a 3% county-wide Transient Lodging Tax (TLT) with anticipated revenues of approximately \$600,000 annually. State legislation mandates 70% of the TLT revenues be applied to “tourism promotion” or “tourism-related facilities,” which includes the Benton County Event Center & Fairgrounds. Anticipated revenues at the full 70% allocation in the current biennium are approximately \$420,000 annually. To address priority projects in Phases 2 and 3 of the master plan implementation, the Fair Board recommends Benton County staff evaluate its debt service capacity in the Fall of 2020 to determine what level of loan obligation can be supported through TLT revenues.

Finance Department Sample Scenario (see attached Financing Scenario Documents)

Total Borrowed	\$7,000,000
Interest Rate	3%
Repayment Months	240 (20 years)
Annual payment	\$466,000

Potential Revenues & Operating Expenses

Markin Consulting provided incremental revenues and expenses for each master plan element, with low and high scenarios, along with an average anticipated impact.

Incremental Revenue Potential

Project	Low Scenario	High Scenario	Average
Exhibit Hall	\$87,000	\$159,000	\$123,000
Auditorium	\$76,000	\$113,000	\$94,500
Wedding Barn	\$15,000	\$17,000	\$16,000
Concession/Food Revenue	\$30,000	\$40,000	\$35,000
Benton Arena operating costs (current annual losses to operate arena)	\$21,000	\$21,000	\$21,000
Total Revenues	\$229,000	\$350,000	\$289,500

Incremental Expense Potential

Description	Low Scenario	High Scenario	Average
Staffing (Maintenance Position)	\$75,000	\$85,000	\$80,000
Utilities	\$40,000	\$50,000	\$45,000
Supplies	\$8,000	\$12,000	\$10,000
Contracted Services	\$15,000	\$20,000	\$17,500
Total Expenses	\$138,000	\$167,000	\$152,500

Estimated Incremental Net Revenue Potential

Low Scenario \$91,000; High Scenario \$183,000; Average \$137,000

Future Phasing

The facilities master plan prepared by Markin Consulting includes additional recommendations not incorporated into the recommended phasing due to budget restrictions. These projects include:

- Expand Auditorium Building (\$450,000 - \$730,000)
- Expand Exhibit Hall (\$2,520,000 - \$4,090,000)
- Modify Existing Livestock Shed (\$225,000 - \$365,000)
- New Ticket Booths (\$90,000 - \$146,000)
- 4-H/OSU Extension Building (\$3,000,000 to be paid by OSU Extension)

The recommended relocation of the Event Center Office from the Auditorium to the Carriage House has already been completed.