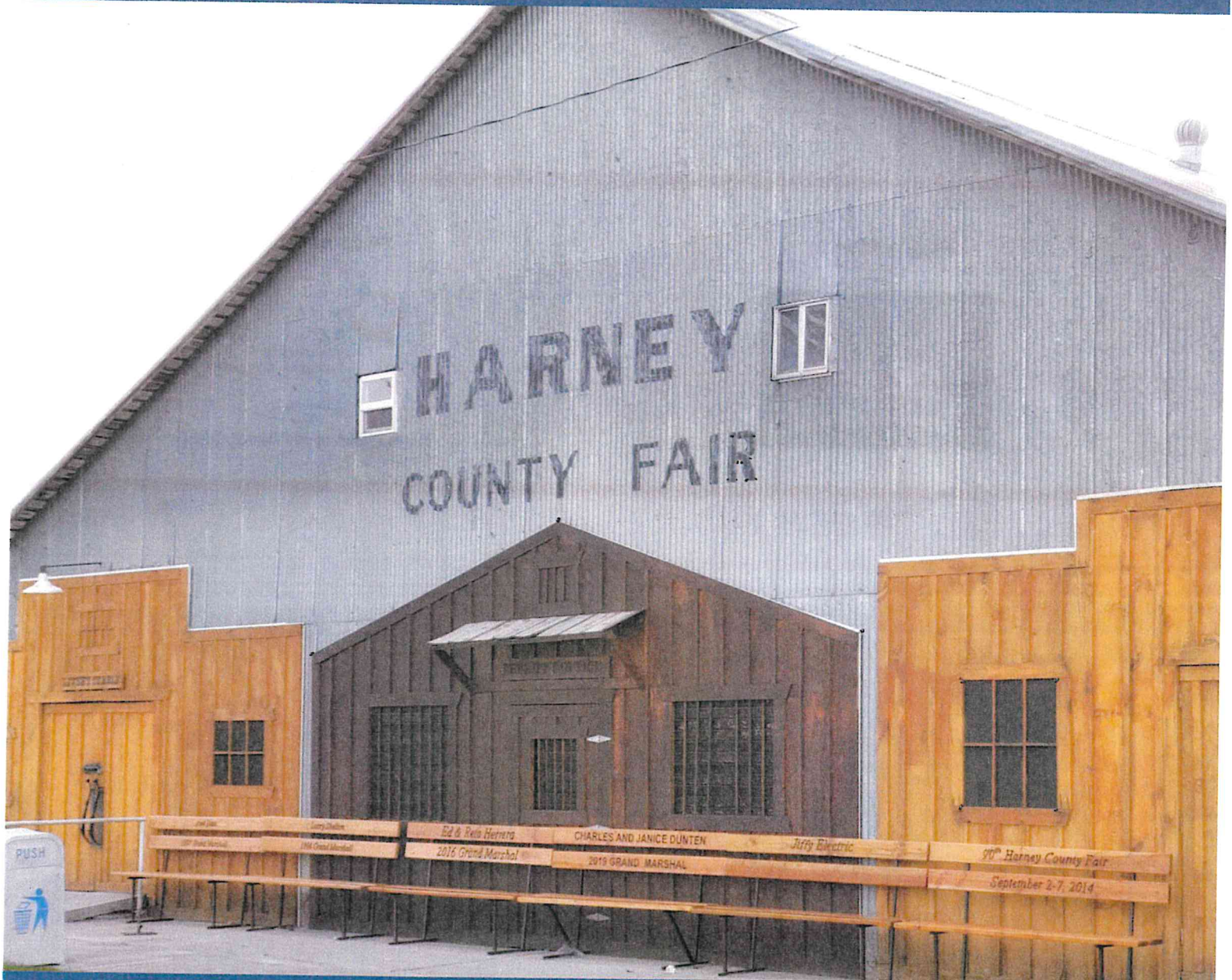


Harney County Fairgrounds Facility Assessment Phase 1 Report



Harney County Fair Board | January 2020

Prepared for:



Prepared by:



Contents

1	Introduction and Retained Services	1
1.1	The Harney County Fairgrounds	1
1.2	Purpose of the Report	2
1.3	Limitations	2
2	Situational Review and Analysis	4
2.1	Inventory of Assets & Infrastructure	4
2.2	Condition of Assets & Infrastructure Challenges	5
2.3	Recent Historical Operations Governance, Management & Financial Performance	11
2.4	Breakdown of Usage & Event Schedule	14
2.4.1	Event Hosting (By Season and Recent Year)	16
2.4.2	Community Use (By Season and Recent Year)	16
3	Harney County Fairgrounds Compared to Selected Facilities In-Region	18
3.1	Purpose and Comparison	18
3.2	Selected Facilities	18
3.3	Comparative Assessment	19
4	Harney County Market Opportunity	23
4.1	Trade Area Profile	23
4.2	Competing Venues	28
4.3	Future Demand	31
4.4	Alignment with Community Expectations	33
5	Future Opportunities	37
5.1	Range of Investment Potential	37
5.2	Estimates of Relative Urgency	40
5.2.1	Lifecycle	40
5.2.2	Americans with Disabilities Act (1990)	41
5.2.3	Reduction of Liability	42
5.2.4	"Must-Do" Priorities	42
5.3	Recommended New Facilities Infrastructure and Phasing	43
5.3.1	New Facilities	43
5.3.2	Phasing	46

6	Resource Implications	51
6.1	Capital Costs	51
6.1.1	Required Immediate/Short-Term	51
6.1.2	Discretionary Based on Market Opportunity	53
6.2	Necessity of Operational Support	55
6.3	Funding Opportunities.....	55
7	Recommendations and Next Steps	57

Appendix A: Site Visit Assessment

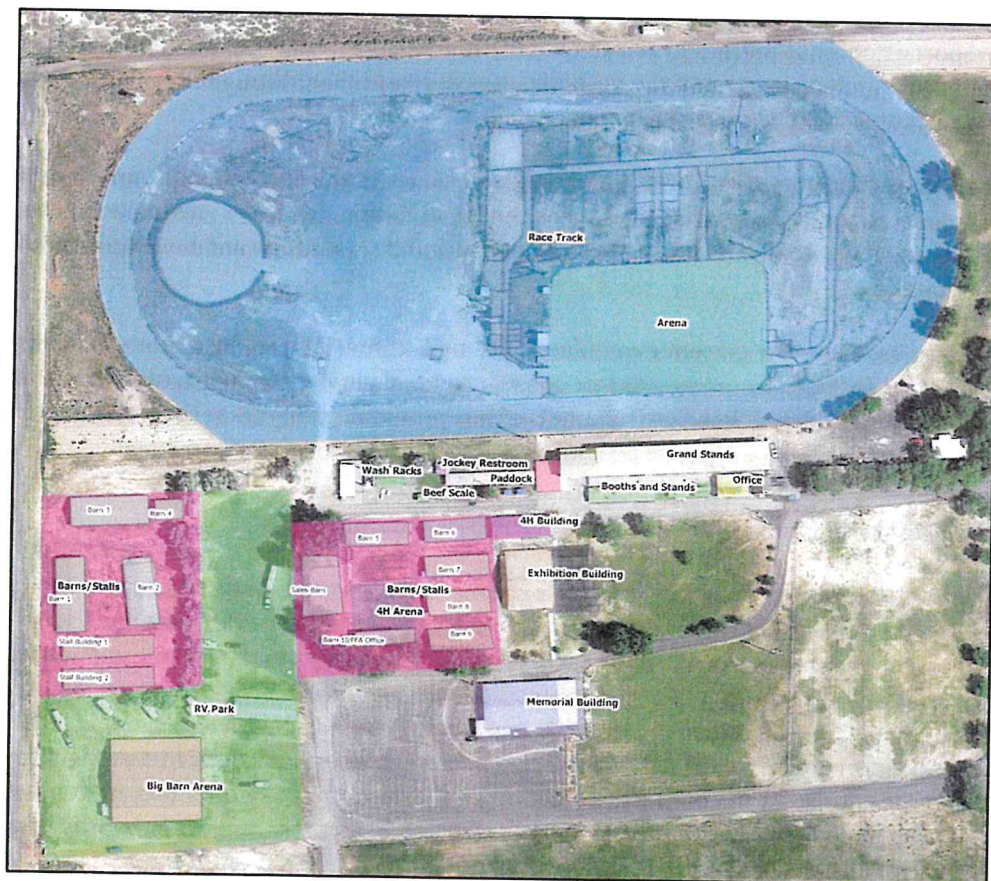
1 Introduction and Retained Services

1.1 The Harney County Fairgrounds

Harney County, in its capacity as owner and operator of the County Fairgrounds has commissioned a holistic assessment of the future investment needs and opportunities, services and operating model for the County Fairgrounds.

The Harney County Fairgrounds has been the site of the annual Harney County Fair, Rodeo, and Race Meet every September for 95 years. The first recorded fair was held in 1905 but due to two World Wars, the fair often did not operate in successive years. In addition, the Fairgrounds provide the residents of Harney County an ideal site to hold weddings, parties, reunions, meetings and fundraising functions on a year around basis. Because of the community legacy of the Fair, the optimal location near Burns and Hines and the accessibility to rural areas, the Fairgrounds site is an important asset, with opportunities for revitalization.

Exhibit 1: Harney County Fairgrounds Facilities Aerial



Source: Sierra Planning and Management

As seen in the exhibit above, the primary assets of the Fairgrounds are a racetrack with an outdoor arena inside and a grandstand overlooking it, a small indoor arena, a number of barns and horse stalls, two event buildings (the Memorial Building and the Exhibition Building), an RV campground, and open areas used for events and parking.

1.2 Purpose of the Report

The Harney County Fairgrounds would like to upgrade and/or possibly replace existing facilities with new facilities to better attract various events including but not limited to; livestock sales, rodeo events along with small to mid sized conferences and conventions.

The purpose of this report is to assess the current condition of the existing facilities, assess the costs involved in upgrading those facilities and provide a market demand study with regards to what is missing from the market, what type of facilities would be required to meet that demand and a rough order of magnitude cost to develop such new facilities within the current fairground property.

Prior to developing this report, a series of interviews were conducted with Harney County staff, county commissioners, and current and potential stakeholder groups to review the current facilities and their operation but also the possible local demand for upgraded or new facilities.

This report establishes metrics by which to assess the existing facilities in relation to their current programming usage and the potential uses as determined through the meeting and interview process with various stakeholder groups.

The report also includes a review of operational efficiency of the current fairground's facilities and the operating successes of such as measured by visitation, revenues, customer satisfaction, customer reactions to events missing from the fairground's operation and development of new lines of business.

This report examines the current events/activities held at the Fairgrounds to determine if they are scalable if facilities were upgraded or constructed and what is the measurable demand for new facilities. In addition, it includes analysis of any potential competition from surrounding cities and counties for the types of activities and facilities that might be proposed.

1.3 Limitations

The contents of this report and its analysis is based, in part, upon a range of primary and secondary sources. International Coliseums Company (ICC) and Sierra Planning and Management endeavour to ensure the accuracy of all secondary sources of information but cannot warranty the accuracy of secondary source material. In the event that secondary source information is inaccurate or incomplete, ICC and Sierra Planning and Management will not be held liable for original errors in data. The report and the information contained within it is prepared specifically for the purposes as laid out in this report. Reliance on information and opinion contained in this report should not be extracted in part for the entire report without the permission of ICC.

Details of the financial operations of the Harney County Fairgrounds represent analysis by Sierra Planning and Management provided to illustrate the general picture of annual operating revenues and costs associated with the complex and should not be viewed as definitive accounting statements of the Fairgrounds.

2 Situational Review and Analysis

2.1 Inventory of Assets & Infrastructure

The Harney County Fairgrounds complex in Burns, Oregon is an expansive property that, in September, 2020, will once again be home to the Harney County Fair, Rodeo and Race Meet. This upcoming September marks the 96th year of the operation of the County's annual fair; an event that is the pride of the County and its residents.

The current fairgrounds show an asset list which consists of the following facilities and amenities:

- Covered grandstand, race track and Morgan Arena
- Fairgrounds administrative office building
- Fairgrounds manager's residence
- Concession building with covered beer garden area
- Jockey paddock
- 4-H building
- Exhibit building
- Memorial Hall building
- Livestock barns
- Livestock show ring
- Sale barn
- Racing vet barn
- Racing barns
- Dry barn
- Rodeo office
- Surfaced parking
- RV parking area
- Outdoor green space: vendor booths, concert stage



For the purposes of this exercise, an overview of each of the primary assets will be reviewed and assessed as it pertains to their current condition. A further discussion will follow addressing the current state of the assets within the fairgrounds complex.

2.2 Condition of Assets & Infrastructure Challenges

1) Covered grandstand, race track and Morgan Arena

The Harney County Fairgrounds grandstand, race track and Morgan (outdoor) arena dates back to the late 1950's or early 1960's. The facility has a fixed seating capacity of approximately 1,200. A covered roof was added to the complex prior to 1980 while structural enhancements were made to the seating area in 2001.

The race track and outdoor arena appear to be in reasonable condition but require regular maintenance and repair to stay operable for successive years. The Rodeo Office is located in the infield area underneath the broadcast booth.

The grandstand seating area shows progressive wear and deterioration. Numerous "trip hazards" were noted during a walk through in October, 2019. The facility does not appear to meet current ADA guidelines. Aisles are narrow and protective barriers are in need of replacement.

The current structure presents a fire and safety hazard for the spectators and needs to be addressed going forward.

Bird droppings present a constant problem for staff.

The present sound system does not adequately service the attendees seating in the grandstand area thus not providing for a "quality guest experience".

While the size of the grandstand is significant, the space underneath the seating area is not well utilized. Structural cross bracing, dirt floors and limited access due to a minimal number of doorways makes this space hard to program as a storage area. Better use of this space will be recommended.

This area also includes the Para mutual betting office and windows. This space shows signs of aging but for the limited use (fair dates only) it is probably adequate.



2) Fairgrounds administrative office building

This building sits at the entrance to the fairgrounds complex and is the site of the fair manager's office. It is understood that this building was relocated to its current location several years ago and had, at one time, served as a dental office with the city of Burns. The building appears to serve the needs of the manager; however, it lacks some basic services; water, restroom.



3) Fairgrounds manager's residence

The manager is provided on site housing as part of his overall compensation. The manufactured home is located at the very front entrance to the fairgrounds. A site visit was not conducted for this asset but is understood that some basic maintenance issues need to be addressed.



4) Concession building with covered beer garden

The concession and beer garden area serve as a major source of revenue during the annual fair. The responsibility for operations is outsourced to third party vendors during the fair with the fair receiving a percentage of sales from food and beverage.

The equipment within the concession building appears to be adequate for the delivery of services for the fair. However, general clean up, maintenance and replacement of certain equipment should be considered. Storage for supplies would appear to be in need of improvement.



5) Jockey paddock

Considering the very limited use of the facility it would appear to meet the needs of the current racing fraternity. We would recommend, as has been the case with several facilities previously discussed, that some general maintenance be undertaken to keep this facility functional for successive racing meets each September. As changes occur with regards to the overall operational activity within the fairgrounds, this space should be considered for use by other user groups.

6) 4-H building

The 4-H Building is the first of several assets that comprise what we will refer to as the “Event and Exhibit Quadrant” of the Harney County Fairgrounds. Additional facilities that fall within this designated area are the Exhibit Building, the Livestock Barns, the Livestock Show Ring, the Sale Barn and Clerk’s Office.

This asset is understood to be one of the oldest buildings on the fairgrounds site. In a prior time, the facility was well used by 4-H groups and possibly others. Currently, the building is used by the 4-H during the fair but has limited usage outside of the fair.

The building is utilized during non-fair months as a woodwork shop for fairgrounds maintenance workers.

With minimal expenditures, this building could be updated to function outside of the fair’s usage if a program demand could be identified.

We were advised that the building has experienced leaks in the roof, may lack suitable heating for patrons. Flooring and lighting would enhance the facility should it be determined that possible user groups would occupy the space on a twelve-month basis.

7) Exhibit building

This facility constructed in 1938, enhanced in recent years with an exterior façade, portrays a grand presence to the fairgrounds. The front entrance to the facility makes it stand out amongst other venues on site and should be conserved for future expansion efforts.

The building is active during the annual fair but is not equipped with heating, water and air conditioning which would allow it to function as a twelve-month facility.

The Exhibit Building has two floors with ample exhibit space during the fair. The greenspace/lawn area directly in front of the building hosts an outdoor stage during the fair. Upgrades to the existing floor plan could provide for a more flexible use building for future fairgrounds growth.



8) Memorial Hall building

Memorial Hall is the most utilized facility on the fairground's campus. At 35, it is also the newest of all facilities having been upgraded in 1995. Its features include a catering kitchen, tables and chairs for catered functions, storage areas, restrooms, heating and cooling, large open floor area and sound system.

As an all around multi use space, Memorial Hall, services a variety of community activities, from meetings, conferences, trade show type events, weddings, roller skating to numerous 4-H activities.

Modest upgrades to the facility would further enhance its versatility for community events and as such the building would supply a synergistic space to future growth of the fairgrounds.



9) Livestock barns

Located behind the 4-H and Exhibit Buildings, the five (multiple-use) livestock barns have served a valuable function during fair times. They do, however, occupy a large area within the fairground while only being utilized for a very short period of time. The facilities are some of the oldest facilities on the fairgrounds property and as such are in much need of repair or replacement.

In close proximity to the barns is the livestock show ring which is support and function space for the adjacent barns during fair times. As mentioned previously, this area also occupies a significant amount of property while only being used (primarily) for events during the fair. There are non-covered seating (bleachers) for spectators during event offerings.

10) Sale barn

A final facility that is positioned within the Event and Exhibit Quadrant of the fairgrounds, the Sale Barn is also booked only marginally during non-fair periods. It serves an ever-shrinking role with regards to physical usage and should be evaluated to determine if its uses warrant upgrading.

11) Racing barns

Observation of the current facility indicates approximately 146 horse stalls are available in this location. It was noted that several were damaged during a severe storm. The fair manager felt that the inventory of stalls was adequate for usage needs outside of the fair week but during the peak period in September the fair is challenged to provide more stalls for attendees.

12) Dry barn

The dry barn is located at the back of the fairground's property, behind Memorial Hall and adjacent surface parking area. This facility appears to serve the needs of the fairgrounds during off peak periods but like much of the fairground's facilities, this space is challenged during the September fair.

13) Surfaced parking

The fairgrounds have only one hard surface parking lot. This lot is located behind and to the side of Memorial Hall. For events hosted at Memorial Hall this space seems adequate to accommodate the user needs. During the active dates of the fair, this area is advertised as priority parking with a small fee attached.

Also, during the fair the large field across from Memorial Hall and accessed from South Egan Road serves as over flow parking. The excess land area that comprises the Harney County Fairgrounds eliminates parking related issues and allows for future expansion possibilities of the fairgrounds.

14) Recreational Vehicle parking

The fairground site provides for thirty (30) serviced spaces; water and power. During the fair this area is overcrowded while off fair times show year-round rentals at the rate of 2 – 4 spaces primarily on weekends.

The County has plans to eliminate the overcrowding by reducing the current 30 stalls to 15 and add an additional 30 stalls on a to be developed area just south of the Dry Barn. This decision will be a positive one for the fairground's location both during the fair as well as "off fair" periods.

Exhibit 2: Facilities Condition

Facilities/Amenities	Present Condition	Recommended for renovations/upgrades	Priority ranking	Budgeted estimate
Covered grandstand, race track and Morgan Arena	Fair-Good	Recommend	High	
Fairgrounds administrative office building	Fair	Recommend	Low	

Fairgrounds manager's residence	Good		Low	
Concession building with covered beer garden area	Good	Future Phase	Low	
Jockey paddock	Fair	Future	Medium	
4-H building	Fair	Recommend	Medium	
Exhibit building	Fair	Recommend	Medium	
Memorial Hall building	Good	Minor upgrades	Low	
Livestock barns	Poor	Recommend	High	
Livestock show ring	Good	Recommend	High	
Sale barn	Good	Future	Medium	
Racing vet barn	Good	Future	Medium	
Racing barns	Fair-Good	Future	Medium	
Dry barns	Fair-Good	Future	Medium	
Rodeo office				
Surfaced parking	Good	Minor upgrades	Low	
RV parking area	Good	County in planning process	Medium	
Outdoor green space	Good	Minor upgrades	Low	

Source: International Coliseums Company (ICC)

2.3 Recent Historical Operations Governance, Management & Financial Performance

Operations and Governance Overview

The Fairgrounds are owned by Harney County. The County government is administrated by the County Court, comprised of three elected officials (County Judge and two County Commissioners) which provides direction and guidance for the County in policy and rules. The Harney County Fair Board oversees the strategic planning, budgeting, and staffing for the Fairgrounds. Staffing currently consists a Fair Manager (responsible for both the Fair itself as well as all activities and upkeep of the Fairgrounds throughout the year) and a maintenance assistant with janitorial and upkeep responsibilities. During the Fair, many responsibilities are handled by volunteers and in the case of the betting system, state Racing Commission staff.

The primary activity of the Fairgrounds is the Harney County Fair in September, running for six days with admission to the fair charged for the final four days. Typically, the Fair includes a rodeo, carnival (not held this year), talent show, horse races, parade, and other events, including those sponsored by 4-H and Future Farmers of America. The Fair is the last of the year within the State of Oregon. The current facility has served as the Fairgrounds since the 1930's. The State provides approximately \$53,000 in annual funding for holding the Fair, and entry admission is \$10. The other main sources of revenue during the Fair are horse racing and vendor revenue. The Lion's Club is the largest vendor at the Fair, with the Fairgrounds receiving 20% of revenue. Other alcohol sales are contracted out, with the Fairgrounds receiving 20% of the

revenue. A total of 72 events took place year to date in 2019, other than the Fair. Of the 72, 27 were youth events, 34 were public and 10 were private.

During the Fair, the RV park holds 30 spaces tightly packed together. RV park users pay \$20 per night for power/water or \$350 per month. There is currently a plan to construct 30 new spaces and reduce the overcrowded existing facility to 15 (for a net addition of 15 spaces) as part of a state park, which would provide \$30,000 in revenue every 2 years. The County has set aside \$500,000 for this purpose.

Financial Operating Performance

The majority of the economic activity at the Fairgrounds is during the Fair itself, which constituted an average of 59% of expenses and 72% of revenue over the last five years. The Fair consistently has a positive return, while the Fairgrounds excluding Fair has an operating deficit.

Exhibit 3: Financial Operating Performance, 2014-2019

	Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Fair	Expense	\$221,402	\$235,660	\$222,780	\$289,285	\$270,727
	Revenue	-\$234,382	-\$261,394	-\$268,610	-\$323,142	-\$326,977
	NOI	-\$12,980	-\$25,734	-\$45,830	-\$33,857	-\$56,249
	Cost Recovery	106%	111%	121%	112%	121%
Non-Fair	Expense	\$201,177	\$147,592	\$161,517	\$147,859	\$201,202
	Revenue	-\$94,144	-\$93,281	-\$119,127	-\$110,551	-\$143,721
	NOI	\$107,033	\$54,311	\$42,390	\$37,307	\$57,481
	Cost Recovery	47%	63%	74%	75%	71%
Total	Expense	\$422,579	\$383,252	\$384,297	\$437,144	\$471,929
	Revenue	-\$328,526	-\$354,675	-\$387,737	-\$433,693	-\$470,698
	NOI	\$94,053	\$28,577	-\$3,440	\$3,450	\$1,232
	Cost Recovery	78%	93%	101%	99%	100%

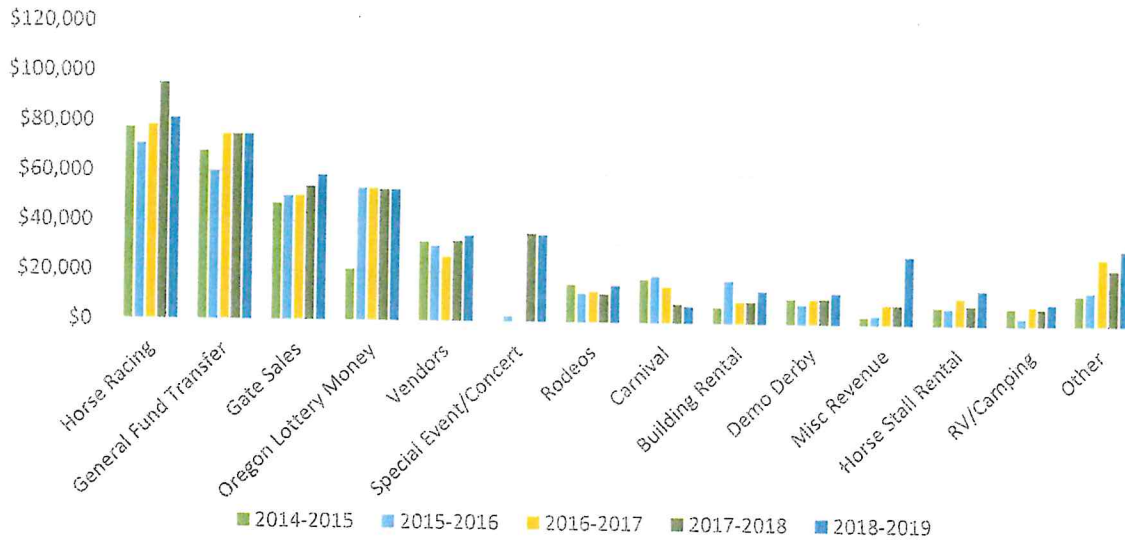
Source: Sierra Planning and Management based on information provided by Harney County Fairgrounds

From 2014-2019, net operating income for the Fairgrounds has averaged -\$24,774. However, that deficit has declined significantly from -\$94,053 in 2014/2015 to -\$1,232 in 2018/2019. Between 2014 and 2019, efforts at generating event and concert revenue have been successful, along with increases in gate sales. Funding from the Oregon Lottery also increased substantially beginning in 2015. Maintenance costs, on average the second highest expense, were unusually high in 2014 and have since subsided but are still one of the larger expenses. The fastest growing category of expenses are special events, wages, personnel insurance costs, and horseracing. In addition to the decline in maintenance costs, property/liability insurance, and advertising costs have decline over the last five years. There was a significant drop in carnival revenue after 2016-2017, partly attributable to cancellations from the performers.

Cost recovery has improved significantly from 2014-2015, when non-Fair operations recovered only 47% of costs. Between 2016 and 2019, non-Fair operations cost recovery ranged from 71% to 75%, resulting in the Fairgrounds as a whole breaking even on average with a total cost

recovery of nearly 100%. In addition to the improved cost recovery of non-Fair operations, this is also partly attributable to an increased operating surplus for Fair operations.

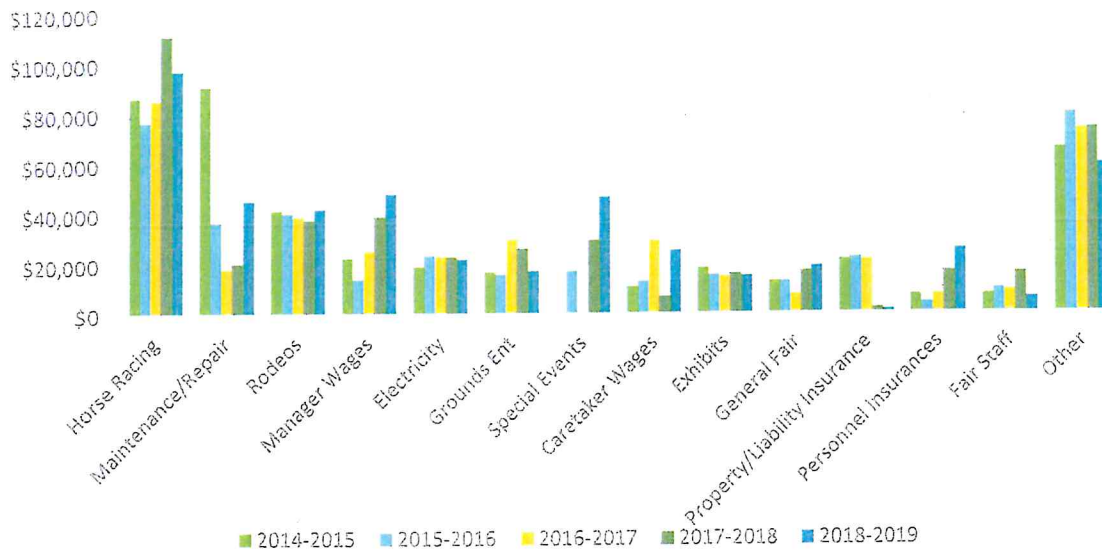
Exhibit 4: Operating Revenue, 2014-2019



Source: Sierra Planning and Management based on information provided by Harney County Fairgrounds

The largest sources of revenue for the Fairgrounds are horseracing, transfers from the general fund, gate sales, state money from the Oregon lottery, and vendor revenue (with concerts and special events intermittently providing revenue similar to vendors). Horseracing is the largest single expense that the Fairgrounds incur, which generally exceeds the revenue raised by those events. Rodeos on average are the third largest expense, costing about double the amount that are raised in revenue.

Exhibit 5: Operating Expenses, 2014-2019



Source: Sierra Planning and Management based on information provided by Harney County Fairgrounds

2.4 Breakdown of Usage & Event Schedule

In 2019, 72 events were held at the Fairgrounds, other than the Fair. Of those, 34 are classified as public events, 10 as private events, and 27 as youth events. Public events are larger events, often with ticketed admission. Private events are more likely to be community use for occasions such as birthday parties. Combined, over 9,000 participated in the events held at the Fairgrounds.

Exhibit 6: 2019 Non-Fair Events by Participation and Season

Type/Season	Number of Events	Total Participants
Private	9	630
Autumn	5	200
Spring	2	80
Summer	2	350
Public	36	5797
Autumn	8	615
Spring	10	2080
Summer	6	1350
Winter	12	1752
Youth	27	2677
Autumn	3	358
Spring	13	1809
Summer	2	150
Winter	9	360
Grand Total	72	9104

Source: Sierra Planning and Management based on data provided by the Harney County Fairgrounds

Exhibit 7: Complete List of 2019 Non-Fair Events

Event/Organizer	Number of Events	Total Participants per Group
Big Loop Rodeo	1	125
Budget Meeting	1	4
Burns FFA Alumni dinner	1	250
Burns Paiute Tribe Pow Wow	2	500
Carter Graduation party	1	60
Central Oregon Gun Show	2	700
Central Oregon Swap Meet	2	600
Congressman Walden Town Hall	1	100
Celebration of Life	1	150
Coyote Classic	2	700
Crane STEM School Dinner	1	250
Crossroads Ranch Fundraiser	1	260
Demolition Derby	1	1000
Fair Board meeting	11	120
Farm Bureau Tractor Class	1	40
Frenchglen Dinner Fundraiser	1	250
Frisky Fleas	6	52
Frisky Fleas	1	9
Great Basin Saddle Club	3	225
Harney County Chamber Dinner	1	260
Harney County Ranch Rodeo	1	300
High Desert Fiddlers Jamboree	3	475
High Desert parks and Rec Sake Night	1	100
Homespun Christmas Bazaar	1	
Horse Reigning Clinic	1	15
Wedding Reception	1	200
JR & HS Rodeo	3	1000
LDS Burns Christmas Festival	1	
LDS Burns Harvest Festival	1	
Livestock Committee Meeting	1	8
Birthday party	1	20
Migratory Bird Fest Dinner	1	150
Oregon falconers Fall Meet	2	
Celebration of Life	1	350
Paiute Tribe Roller Skating	1	15
Praise 4 Paws	5	21

RMEF Dinner	1	200
Roping Fundraiser	1	100
Silvies River Graduation	1	150
Steer Weigh In	1	55
Volunteer Appreciation/Kickoff Dinner	1	90
Volunteer/Buyer Appreciation Dinner	1	200
Grand Total	72	9104

Source: Sierra Planning and Management based on data provided by the Harney County Fairgrounds

2.4.1 Event Hosting (By Season and Recent Year)

If youth events are reclassified into the private and public categories, there were 48 public events held at the Fairgrounds in 2019. This includes the vast majority of participants. Spring was the busiest season, with summer seeing the fewest events but autumn having the lowest level of participation. The single largest user in this category (in terms of the number of events held) was the Fair Board itself at its public meetings. The largest event holders in terms of participation were the Demolition Derby (1000 participants) and the Junior and High School Rodeos (1000 participants across three events). The Central Oregon Gun Show and Coyote Classic were the next largest 700 participants across two events each, followed by the Central Oregon Swap Meet (600 participants across two events) and the Paiute Pow Wow (500 participants across two events).

A breakdown of events and participants by season and total participants is shown below, along with a complete list of all public event groups.

Exhibit 8: 2019 Public Events by Season and Total Participation

Season	Number of Events	Total Participants
Autumn	10	965
Spring	17	3805
Summer	8	1500
Winter	13	2012
Grand Total	48	8282

Source: Sierra Planning and Management based on data provided by the Harney County Fairgrounds

2.4.2 Community Use (By Season and Recent Year)

Private events, including youth events, totaled 24 in 2019, with 822 participants. Summer events had the most participants, despite having the smallest number of events. Winter tied with spring for the largest number of events, but had the fewest participants. The largest private events were a wedding reception, a volunteer/buyer appreciation dinner, and a celebration of life. The most active users were the Frisky Fleas, holding six events, and Paws for Praise, holding 5 events. Both are part of the 4H Club.

A breakdown of events and participants by season and total participants is shown below, along with a complete list of all private event groups.

Exhibit 9: 2019 Private Events by Season and Total Participation

Season	Number of Events	Total Participants
Autumn	6	208
Spring	8	164
Summer	2	350
Winter	8	100
Grand Total	24	822

Source: Sierra Planning and Management based on data provided by the Harney County Fairgrounds

3 Harney County Fairgrounds Compared to Selected Facilities In-Region

3.1 Purpose and Comparison

The purpose of this assessment is to be able to demonstrate the challenges that the Harney County Fairground faces as it looks to position itself as a twelve-month event operation. In addition, we will present information on similar fairground locations within the state of Oregon and Nevada which present competition for the events and activities that County may wish to pursue.

When the Harney County Fairgrounds was initially constructed the amenities would have likely positioned them as one of the premier mid-sized fair facilities within the state of Oregon. However, over time the facilities have aged structurally and have not kept up with the industry changes.

As such, the state of the aging facilities on the Harney County Fairgrounds puts added pressure on management to secure events for their location as promoters and event planners may choose to bypass the County for more modern facilities in and amenities in the selected counties we have chosen to assess.

3.2 Selected Facilities

We have selected the following locations for comparison based on similar size population; Lake County and Umatilla County, Oregon along with a similar usage portfolio; Humboldt County, Nevada.

Lake County Fairgrounds

1900 North 4th Street
Lakeview, Oregon

Umatilla County Fairgrounds and Eastern Oregon Trade and Event Center

1705 E. Airport Road
Hermiston, Oregon

Winnemucca Events Complex (formerly Humboldt County Fairgrounds)

1000 Fairgrounds Road
Winnemucca, Nevada

3.3 Comparative Assessment

A short description of each of the three selected fairground facilities follows.

Lake County Fairgrounds, Lakeview, Oregon

Lake County's population is very similar to that of Harney County (7863 vs. 7300) making the comparison between the Lake County Fairgrounds and the Harney County Fairgrounds very relevant to our overall assessment. Like the Harney County Fairgrounds, the Lake County Fairgrounds has recently undergone a facility asset assessment with plans for a master planning exercise to follow.

The Lake County Round Up Rodeo, which just celebrated its 100th birthday this past September, spans some 93 acres of property and includes the following assets:

- Large outdoor arena with VIP standalone VIP section
- Covered grandstand
- Recreational vehicle parking
- Five livestock barns with connecting link
- Museum
- Sales Barn with Sales Committee Office
- 4-H Building
- Fairgrounds maintenance manager housing
- Fairgrounds office building
- Exhibit Hall with kitchen
- Exhibit Hall with large doors
- Large south lawn area

In conversation with the Lake County Fairgrounds manager, it was suggested that the origins of the grandstand and livestock barns dates back to the 1930's. And, like Harney County, ongoing annual maintenance has been neglected over the years placing many of the aging facilities in an "at risk" position.

The current outdoor arena is equipped with a covered grandstand along with a "V.I.P" section at one end of the arena. The grandstand was updated to meet ADA code several years ago, providing a viewing area in the front row and an access ramp to this particular section. Like the Harney County Fairgrounds grandstand, this facility endures similar problems; older wooden seats, access and egress problems and issues with bird's nesting in the rafters.

The fairgrounds have limited RV parking spaces and sees a substantial business opportunity if more can be added as they approach the next phase of their study.

The five livestock barns are all in very poor condition and are recommended for demolition and replacement. Although the barns are all covered, they have walls on just three sides leaving the front entrances in each open to the outside elements.

A museum and 4-H building operate only during fair times with neither being temperature controlled. Their Sales Barn serves its main purpose during the fair while also functioning for a variety of other uses during none fair dates.

The fairgrounds main office was renovated several years ago as the concession service area was eliminated and relocated to inside of Exhibit Building 1. Exhibit Building 2 connects to this facility and offers support for a variety of activities that require large upright doors for equipment load in, etc. Both are temperature controlled for annual usage.

The fair operates its carnival in one of several open field areas within the 93-acre site while also have a large "South Lawn" area which accommodates special functions and activities.

The Lake County Fairgrounds initial study recommends the replacement of the existing livestock barns (5) with one multipurpose indoor facility that will have a dirt floor with seating and the ability to host multiple events; equestrian, agricultural, sport related, concerts, graduations to highlight just a few.

The Lake County Fairgrounds intend to proceed further with additional studies as they work to facilitate a new master plan for their complex.

Eastern Oregon Trade and Event Center – Umatilla County Fairgrounds

The Eastern Oregon Trade and Event Center and Fairgrounds in Hermiston Oregon represents a somewhat condensed fairgrounds facility when compared specifically with the Harney County Fairgrounds.

To be specific, the Hermiston facility is located on a 55-acre site and features a large outdoor rodeo sports arena, large open-air barns with bucking and roping shoots, a large open field area serviced with water and power, hard surfaced parking lots and a modern indoor events center facility.

The new facilities attempt to combine multiple usages into one facility type.

The modern outdoor rodeo sports arena has an event space of 280' x 150' and is encompassed on two sides by large stadium seating sections with state-of-the-art exterior lighting. The 81,000 square foot open air barn incorporates many functions under one roof; specifically, bucking and roping shoots, stalls and rodeo/exhibition space.

The open field area is manicured and is provided with water and power to service vendors be it for carnival events during fair time or other outside events scheduled at the facility. The newest addition to the fairground's location is a 25,000 square foot multipurpose event and conference center. Included is a 12,150 square foot event space/ballroom that is capable of hosting a seated event of 1450 people. Large fourteen-foot doors located at the rear of the

facility allow for easy access to the floor surface to load and unload events. This space has been rented for trade shows, car shows, home and garden shows, weddings graduations, political rallies, concerts and cultural events.

The facility has a full catering kitchen making it capable of hosting a variety of events requiring dining services. Also, within the overall 25,000 square foot facility are several meeting/conference rooms each seating approximately 220 guests making the events center facility a fully functioning conference center for a wide variety of conventions, conferences and exhibitions.

The modern facilities allow this fairground to operate effectively on an annual basis. It is noted that they have a busy twelve-month calendar.

Winnemucca Events Complex, Winnemucca, Nevada

Although the population of Humboldt County (NV) is slightly larger than that of Harney County (16,000 vs. 7,300) what has been accomplished in Winnemucca with regards to a multi-faceted fairgrounds facility is worth exploring as a possible road map for the Harney Fairgrounds future growth and development.

The current Winnemucca Events Complex ("WEC") features:

- Two large outdoor arenas (134' x 300')
- Indoor Event Center
- Exhibit Hall
- 4-H Barn
- Horse Barns
- Multiple RV sites
- Hard surfaced parking lots

The main outdoor arena features a covered grandstand that is capable of seating 2,300 spectators with good sight lines of both the one-half mile race track and the outdoor arenas.

The indoor Event Center is 93,000 square feet featuring 75,000 square feet on the event level. The facility has a 150' x 300' foot dirt floor that also can be covered with a hard-plastic floor surface making the event center capable of hosting a variety of events including sporting events, concerts, graduations, trade shows, farm implement shows, recreational vehicle shows as well as all agricultural events. The facility features retractable seating for 2,8000 and has a full catering kitchen.

Also, on site is an 11,862 square foot Exhibit Hall with one large meeting room and a small prep kitchen and 4-H Barn. Both operational over a twelve-month calendar.

The WEC has 706 horse stalls, 150 of which are fully enclosed, 125 with permanent covering and 431 temporary stalls.

Recreational vehicle areas are situated in multiple locations throughout the 72-acre site providing for easy access to the multiple venues on the site. The complex has approximately 271 sites with water and power and many with sewer hookups as well.

Two large paved parking lots are strategically located on the complex as well as two smaller, but also paved lots, in close proximity to the Event Center and Horse Barns.

Following is a brief comparison of current facilities at the Harney County Fairgrounds with similar fairground locations in Umatilla and Lake County Oregon and Humboldt County, Nevada. The chart shows all of the current assets under review within the Harney County Fairgrounds and compares them with similar facilities located on comparable fairground locations studied. Not all of the facilities on the Harney County Fairgrounds have a direct correlation to facilities on site with the studied locations.

Exhibit 10: Comparative Assessment of Facilities

Facilities/Amenities	Present Condition Harney County	Winnemucca Events Complex	Eastern Oregon Trade and Event Center	Lake County Fairgrounds
Covered grandstand, race track and Morgan Arena	Fair-Good	Yes	Yes	Yes
Fairgrounds administrative office building	Fair	Yes	Yes	Yes
Fairgrounds manager's residence	Good			For maintenance manager
Concession building with covered beer garden area	Good	Yes	Yes	In main exhibit building
Jockey paddock	Fair			No
4-H building	Fair	Yes		Yes
Exhibit building	Fair	Yes	Yes	Yes, Exhibit building 2
Memorial Hall building	Good	Yes	Yes	Yes, Exhibit building 1
Livestock barns	Poor	Yes	Yes	Yes, 5
Livestock show ring	Fair	Yes	Yes	Yes
Sale barn	Good			Yes, also used for other functions
Racing vet barn	Good			No
Racing barns	Fair-Good	Yes	Yes	No
Dry barns	Fair-Good			No
Rodeo office				Yes
Surfaced parking	Good	Yes	Yes	No
RV parking area	Good	Yes	Yes	Yes, 14 spots
Outdoor green space	Good	Yes	Yes	Yes, "South Garden"

Source: International Coliseums Company (ICC)

4 Harney County Market Opportunity

4.1 Trade Area Profile

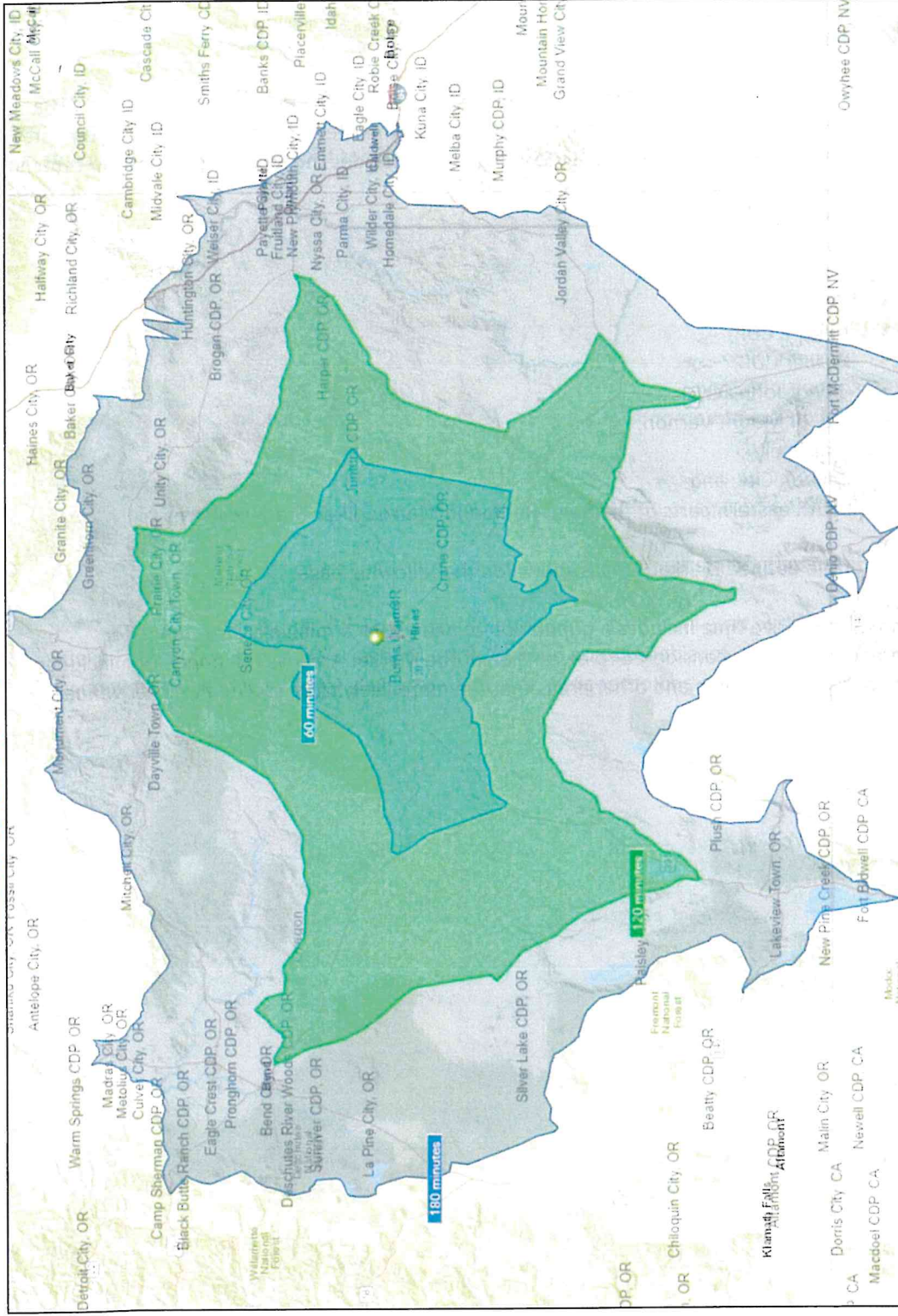
The potential market capture area for the Harney County Fairgrounds (the 'Market Area') has been established to be within a two hour drive time of the site. The population within that area is estimated to be 16,871 according to ESRI data, and includes the following population centers:

- The City of Burns;
- The City of Hines;
- Crane CDP;
- City of Seneca;
- Juntura CDP;
- Harper CDP;
- City of John Day;
- City of Mount Vernon;
- Prairie City;
- Canyon City; and
- South eastern parts of the Bend-Redmond Metropolitan Statistical Area

A map of the defined Market Area is shown on the following page.

A three-hour-drive time includes a population of nearly half a million is also shown for reference, but this is considered to be outside of the Market Area, as the population includes parts of the Boise region and other areas that are more likely to be served by closer venues.

Exhibit 11: 1-3 Hour Drive-Time Area from Harney County Fairgrounds



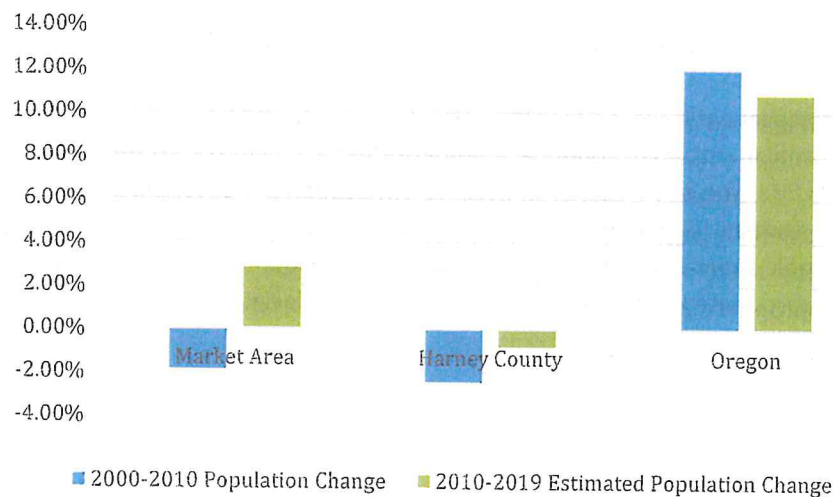
Source: Sierra Planning and Management

Population Profile

The exhibit below shows the population change from 2000-2010 based on census data and estimates from ESRI Business Analyst for the Market Area and State of Oregon for 2019. The 2019 estimate for Harney County was produced by the Population Research Center at Portland State University. Population growth in the Market Area has been minimal during the last two decades, with modest growth in the last 10 years offsetting the decline in the previous period. The population rose from 16,723 in 2000 to 16,871 in 2019. Harney County saw a decline of 2.5% from 2000 to 2010 and of 0.82% from 2010-2019. This is in contrast with the state of Oregon's consistent growth throughout the last twenty years.

While the County and Market Area have not seen strong growth, the growth in recent years in the Market Area and levelling off in the County suggest that the region, which had experienced labor market shocks from the closure of the Edward Hines Lumber Mill, has begun to recover, with new economic development occurring such as the repurposing the mill site into an alfalfa pellet mill.

Exhibit 12: Population Change, 2000-2010 & 2010-2019



Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

The median age in the Market Area is 49.8, older than the County at 46.4 and significantly older than the State median of 39.9. As shown in the table below, the share of the population under 20 is similar, indicating that there is a comparable need for facilities for youth. However, the percentage of the population over 55 is substantially higher in the Market Area, suggesting a significant need for facilities to accommodate an aging population.

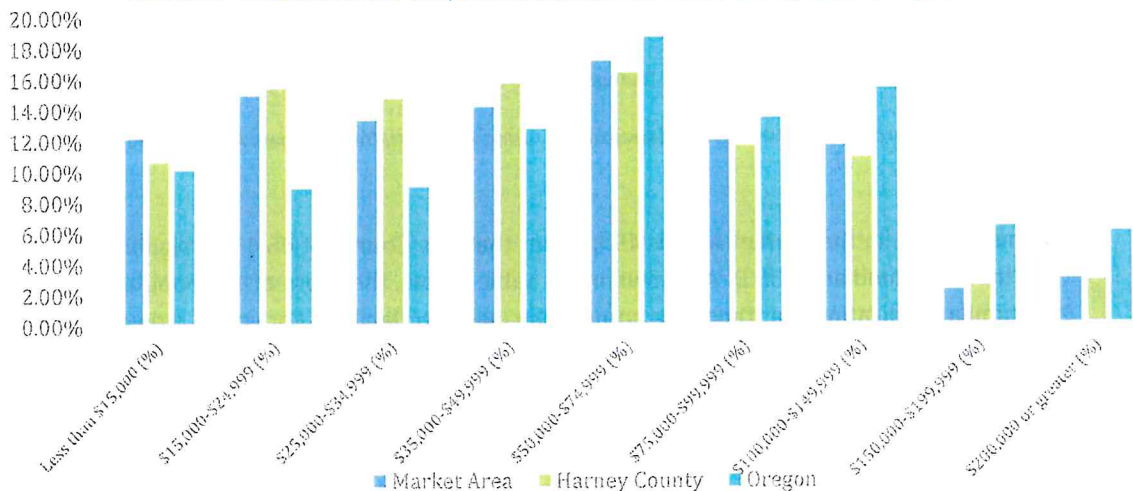
Variable	Market Area	Harney County	Oregon
10-14 (%)	5.46%	5.81%	5.84%
15-19 (%)	5.23%	5.84%	5.97%
20-24 (%)	4.55%	5.19%	6.54%
25-29 (%)	4.98%	5.69%	7.16%
30-34 (%)	4.62%	4.65%	6.70%
35-39 (%)	5.29%	5.37%	6.56%
40-44 (%)	5.11%	5.60%	6.03%
45-49 (%)	5.69%	5.45%	6.04%
50-54 (%)	6.43%	6.01%	6.12%
55-59 (%)	8.47%	7.84%	6.81%
60-64 (%)	9.28%	8.25%	6.82%
65-69 (%)	8.65%	7.83%	6.14%
70-74 (%)	6.96%	6.53%	4.72%
75-79 (%)	4.65%	4.27%	3.04%
80-84 (%)	2.58%	2.72%	1.92%
85+ (%)	2.76%	2.63%	2.21%

Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

Income Profile and Spending Patterns

2019 average household income derived from Business Analyst (ESRI) data is \$62,947 in the Market Area, similar to Harney County as a whole at \$62,113, and significantly below the state average of \$83,772. The exhibit below shows the distribution of household income. The Market Area has a substantially larger lower income population and smaller high-income population, with a comparable share of middle-income families, factors that will need to be considered in determining appropriate levels of cost recovery for various facility uses.

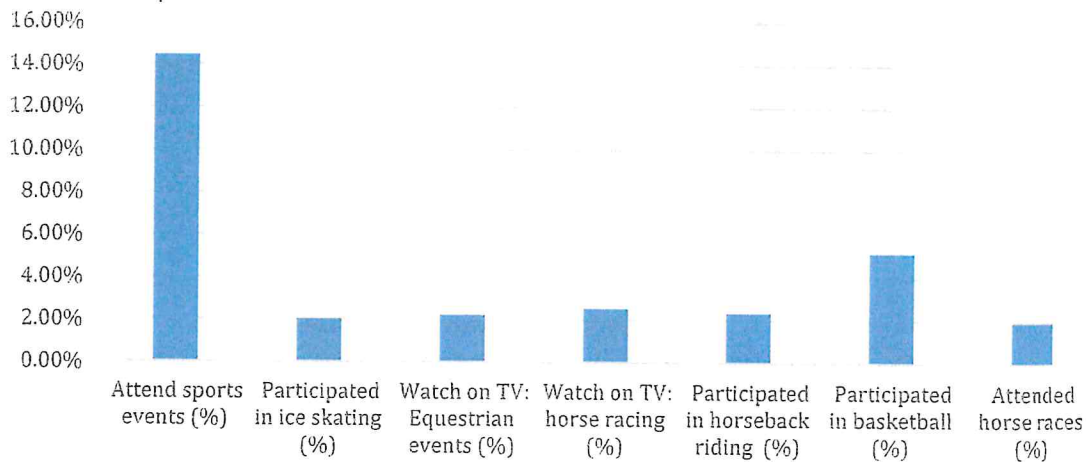
Exhibit 13: Household Income Composition, Market Area, Harney County, State of Oregon



Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

The exhibit below based on ESRI data shows the percentage of adults that participated in or watched one of the following activities that were discussed during the engagement process. This ranged from 2% participating in skating to 14% for attending sports events in general. The current audience for horse racing is approximately 2.5% of the adult Market Area population.

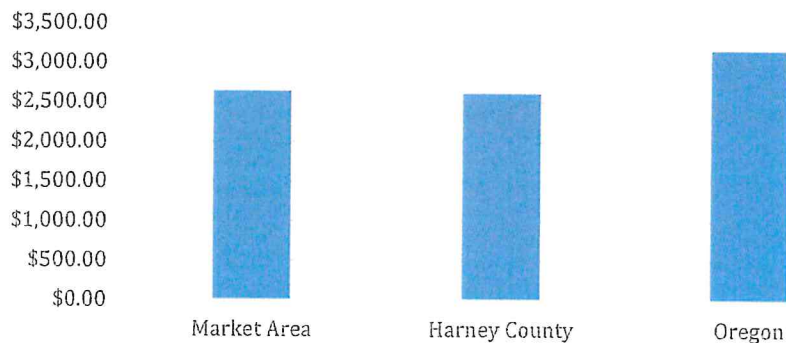
Exhibit 14: Market Area Recreational Event Participation/Viewing in Previous 12 Months



Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

Average recreational spending per household in the Market Area is \$2,639, nearly identical to the county at \$2,613. The average for the state is higher at \$3,162, reflecting the higher average household income.

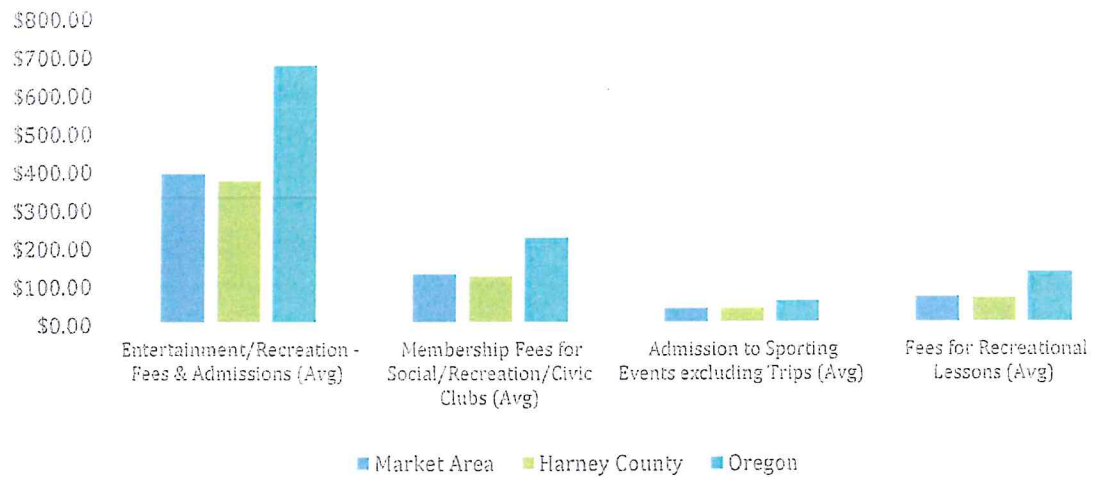
Exhibit 15: Average Household Entertainment/Recreation Spending



Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

The spending gap is more pronounced on items that are relevant to a venue such as the Fairgrounds. Average spending on fees and admissions is \$391 in the Market Area, compared with \$675 in the state as a whole. Spending on membership fees for social/recreation/civic clubs averaged \$129 in the Market Area and \$224 for the state. Average spending on admission to sporting events was \$39 in the Market Area and \$58 in the state as a whole.

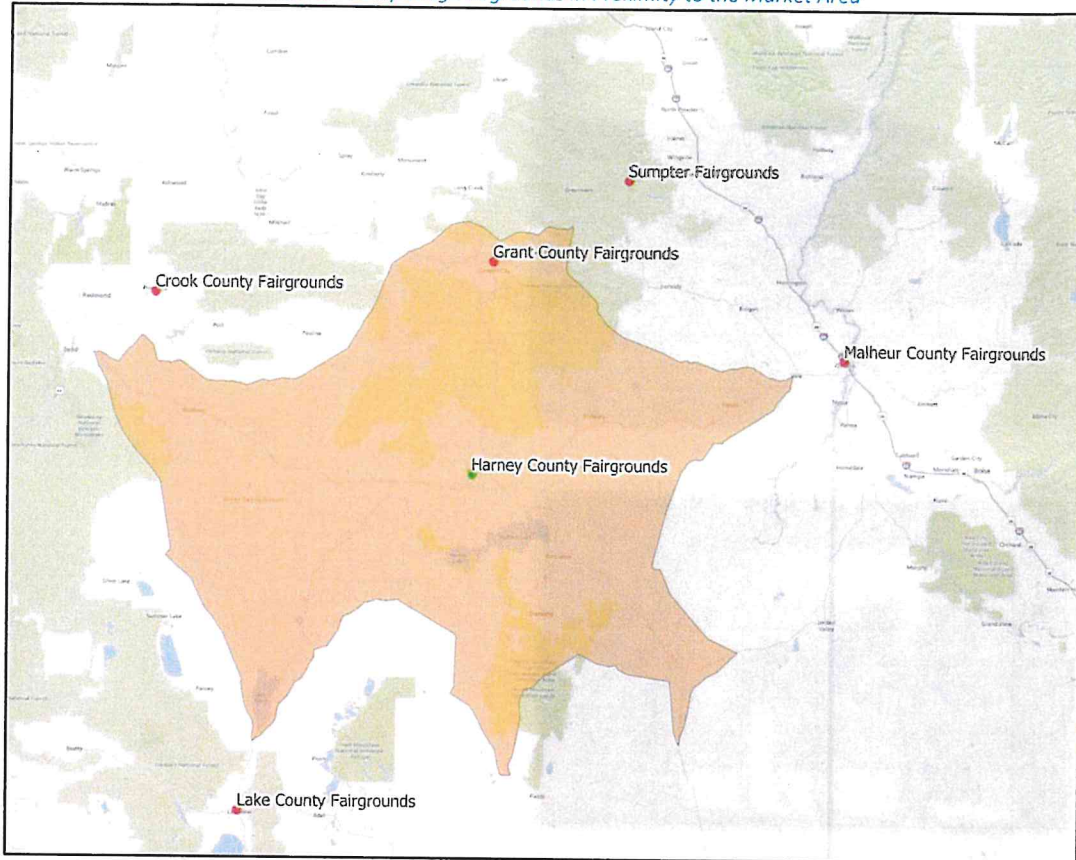
Exhibit 16: Average Household Spending on Recreation Fees & Admissions, Membership Fees, Admissions to Sporting Events, and Recreational Lessons



Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

4.2 Competing Venues

The only competing fairgrounds that is directly within the Market Area is the Grant County Fairgrounds. Near the border of the Market Area are the Deschutes County Fair & Expo Center, the Malheur County Fairgrounds, Crook County Fairgrounds, Lake County Fairgrounds, and the Sumpter Fairgrounds. The Exhibit below shows where these facilities are in relation to the Harney County Fairgrounds and the boundaries of the Market Area.

Exhibit 17: Competing Fairgrounds in Proximity to the Market Area

Source: Sierra Planning and Management

Grant County Fairgrounds

The Grant County Fairgrounds has a number of facilities that are available for rent, including an Event Hall, Indoor and Outdoor Arena, Meeting Rooms, Sales Barn, 25 site RV Park and dry camping. The Heritage Building is a 150 by 175 indoor arena, that has a base rental cost of \$400 per day without lights. Keerins Hall has two meeting rooms (1287 square feet and 684 square feet), each with a base rental cost of \$35 per day. The outdoor arena has a base rental cost of \$400, \$150 for lighting, \$50 for the attached beer garden, and \$75 for the grandstand concession area. The corral and pens have a rental cost of \$25 per corral and \$25 per horse per day. The sale barn can be rented out for \$200 per day. The Trowbridge Pavilion, a 140 x 80 building used for large events can be rented for a base price of \$350. Heating and electrical costs are added to the base price for all buildings. The Grant County Fair had attendance of approximately 17,000 in 2017, the most recent year for which there is data.

Heritage Building*Sale Barn**Trowbridge Pavillion*

Within the Burns and Hines area, there are a number of facilities that are not necessarily competitive, but that fulfil functions that may be similar to new or revitalized facilities. These facilities are shown in the table below.

Burns/Hines/Paiute Facilities	Description
Burns Elk's Lodge #1680	• Venue space
Chamber of Commerce Building	• Venue and activity space
Bear Lodge	• Restaurant and RV park
Sage Country	• B&B and tent camping grounds
Gino's Gym	• Under construction • Athletics and fitness space
Hospital meeting rooms	• Meeting space
Gathering Center on Paiute Reservation	• Venue and activity space
National Guard Building (owned by Paiute Tribe)	• Venue and activity space
Facility near Chamber of Commerce Building	• Currently being renovated • To include offices, meeting space, room for vendors

4.3 Future Demand

Feedback from stakeholders in and around the Burns and Hines areas indicates that there is latent demand for indoor multi-purpose space as well as indoor arena/animal space in order to take advantage of the Fairgrounds during all seasons.

On a regional level, population forecasts suggest that the market for such facilities could expand as well. While there are no population projections for the Market Area specifically, there are county level population projections for the seven counties that are partially within the Market Area. These forecasts were developed for reports produced by the Population Research Center at Portland State University. The starting year for these projections is 2018 or 2019, depending on the year of reporting for each county.

Exhibit 18: County Population Projections

County	2018/ 2019 Population	2040 Population	Growth/ (Decline)	Growth/ Decline (%)	% of Market Area
Harney	7,344	7,107	(237)	-3.23%	44%
Grant	7,102	6,566	(536)	-7.55%	14%
Malheur	31,011	30,514	(497)	-1.60%	15%
Crook	22,519	29,571	7,052	31.32%	5%
Deschutes	187,621	289,225	101,604	54.15%	6%
Lake	8,157	8,517	360	4.41%	15%
Baker	15,790	15,156	(634)	-4.02%	0.13%
Total	279,544	386,656	107,112	38.32%	
Weighted Average				2.78%	

Source: Sierra Planning and Management using data from the Population Research Centre at Portland State University

The report for Harney County anticipates that there will be a small amount of population growth in the short term, but that population will start declining again by 2025. The report projects that

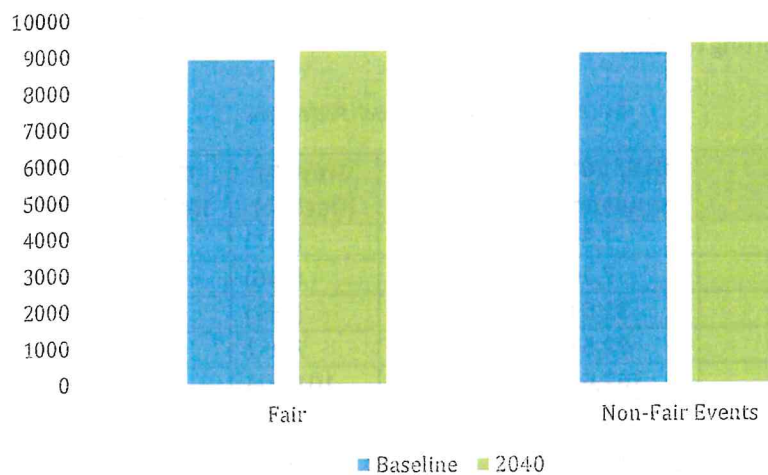
the population will have fallen 3.23% by 2040 from 2018 levels (7,344 to 7,107). The forecast for Grant County also projects a population decline of 7.5% by 2040 from 2019 levels (7,102 to 6,566). Malheur County is expected to decline 1.6% over that period, from 31,011 to 30,514. A small area within Baker County is also located in the market area, and its population is projected to fall by 4% by 2040 from 15,790 to 15,156. By contrast Crook County is expected to see growth of 31%, with the population increased from 22,519 in 2018 to 29,571 in 2040. Deschutes County is also expected to grow, with population projected to increase by 54% to 289,225 from 187,621 in 2018. More modest growth is expected in Lake County, with the population increasing by 4.4% to 8,517 from 8,157.

Taken together as a region, the population of all seven counties combined is projected to grow 38% or over 107,000 people. The overwhelming majority of the growth is anticipated to be in Deschutes County, which indicates that future non-local demand growth will hinge in part on appealing to this growing area.

However, using areal apportionment (a geographic weighting of each county's percentage of the Market Area), the weighted population growth of the Market Area is estimated to be approximately 2.8% by 2040. This is an order of magnitude estimate that does not account for sub-county level population distribution.

Extrapolating this growth to events, using the 2019 participation numbers as a baseline, demand by 2040 would grow by approximately 250 visitors, outside of Fair. In 2018, the Fair attendance was 8,932. Using that as a baseline (2019 attendance was impacted by the loss of the carnival and poor weather conditions), if attendance keeps pace with population growth, attendance will reach 9,180. Non-Fair participation would rise from 9,104 to 9,357.

Exhibit 19: Current & Potential Use of the Fairgrounds Based on Population Growth, 2018-2040

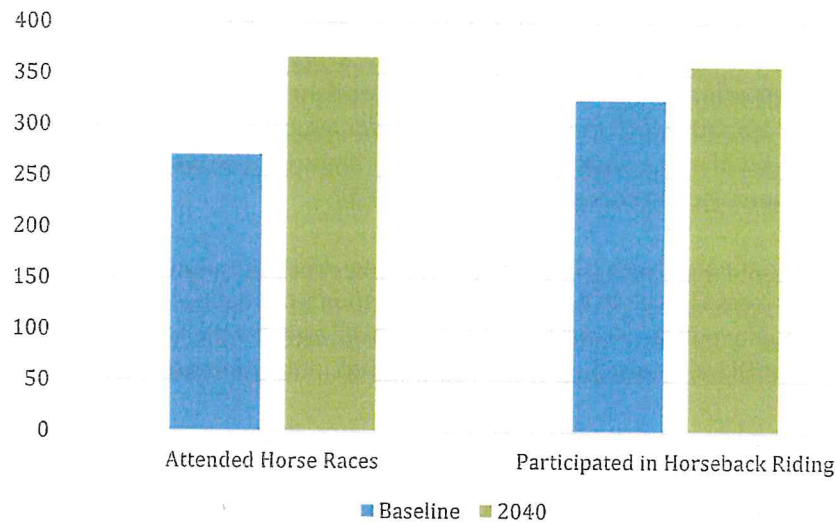


Source: Sierra Planning and Management, using 2018/2019 data from Portland State University's Population Research Center

Lake County and Grant County have similar populations to Harney County, and according to the Oregon Fairs Association, had attendance of approximately 20,000 each in the latest year of reporting.

According to ESRI data, 271 adults attended horse races and 325 participated in horseback riding in the Market Area in 2019. If Market Area residents were to participate at the Statewide rate, and assuming the estimated 2.8% population growth, it would mean that approximately 366 residents would be attending horse racing events and 358 would be participating in horseback riding, representing growth of 35% and 10%, respectively, by 2040.

Exhibit 20: Potential Growth in Equine Activities, 2019-2040



Source: Sierra Planning and Management, using 2019 data from Business Analyst (ESRI)

These estimates do not take into account the additional demand that would be spurred by new and revitalized facilities and new programming opportunities. A new indoor arena and modern indoor multipurpose space could expect to see more substantial demand within the Market Area, as well as outside of it, with the potential to attract regional and statewide events.

4.4 Alignment with Community Expectations

The following stakeholders were consulted during a site visit from Oct. 15-17, 2019:

- Harney County Commissioners and department heads
- Chamber and EDC
- City of Hines
- City of Burns
- Harney County Fair Board
- School Boards/Districts
- 4H and FFA
- Stockgrowers
- Farm Bureau
- The Paiute Tribe

This section summarizes the findings of that consultation.

At present, seniors' groups use a small meeting and kitchen area of the Fairgrounds, but do not make substantial use of the Fairgrounds overall. They would likely use more if the washrooms and other facilities were accessible. Interest in use would include holding dinners and fund-raising events, joint activities to bring in younger seniors for activities such as gardening, cooking, and walking. County staff indicated a need for indoor walking and activity space for seniors during the summer months.

The Paiute Tribe currently conducts their Pow Wow on the Fairgrounds, either outside on the grass or in the Memorial Building depending on the weather conditions. The Tribe holds its lacrosse tournament at the Fairgrounds as well as roller skating events. They also use the Fairgrounds to hold informational meetings with the residents of Hines and Burns. During the Fair, the Tribe has a booth which they use as a venue for education. A Paiute representative indicated that the booth is too small, and that one 3-4 times the size would be better suited. Some Tribe members also sell concessions during the Fair.

The Chamber of Commerce has in the past held its banquet at the Fairgrounds and would benefit from an increase in size of the venue allowing them to bring back their previously held dance. The Chamber would also consider holding a poker night on the Fairgrounds. The Migratory Bird Fest Dinner is also held at the Fairgrounds in the Memorial Building.

The 4H Club and the FFA use the barns at the Fairgrounds to hold animals. During Fair, they are housing a combined total of approximately 200 animals, which exceeds the capacity of the existing facilities. Most of FFA's use of the Fairgrounds is during the Fair itself, but they also host their Alumni Dinner at the Memorial Building. 4H Club also hosts a dog show at the Fairgrounds. The 4H Building is used for all non-animal related activities. The size and condition of the building do not adequately meet the organization's needs. Currently 42% of eligible youth are enrolled in the 4H Club. Among its activities, the 4H Club has a riding club, but participants must have their own horse.

The education system in the region is administered by the Burns School District, the Harney Education Service District and the Crane School District. The Crane School District administers the schools in the rural areas outside of Burns and Hines. The schools use the Memorial Building for graduation events and dinners and would be interested in using the Fairgrounds for dances and competitions if the appropriate venues were available. The schools also host student rodeo events at the arena. A major priority for the Burns High School is a new performing arts center.

Representatives from the Stockgrowers indicated that bigger and more numerous barns were a priority for them. It was suggested that with the appropriate facilities, equine events (e.g. cuttings) and cattle events to showcase the industry could be held on the Fairgrounds. In addition, a larger sales barn would allow cattle sales to be undertaken on site.

The County and Cities of Hines and Burns have emergency and law enforcement needs that could be fulfilled at the Fairgrounds with appropriate facilities. In some cases, funding would be available if the facility can meet these conditions. There are new FEMA guidelines surrounding the use of facilities as a staging ground for firefighters and other emergency workers and as an emergency shelter (the facility would need showers, storage space, training space, bus access). The state has been preparing for "Cascadia Rising" further west, a potential disaster even in which Harney County could be a staging area in a disaster, with the plan to transfer people east

rather than host an influx of people. Law enforcement indicated a need for a venue for training as there are none currently in the county with the flat open floor space needed. Similarly the Fire Department indicated a need for training space in a large indoor area for winter training and potentially hosting conferences.

The Farm Bureau hosts its Tractor Class in the 4H Building. A representative indicated that indoor facilities could bring conferences and rancher events such as cuttings, horse shows, club calf shows, and more rodeo events. It was suggested that new facilities could also encourage the Bureau to hold annual meetings at the Fairgrounds. Other events held at the Fairgrounds include a farmers market that currently runs outdoor from last frost to first frost (moving to indoor would allow longer run), a gun show held in the Memorial Building, the High Desert Fiddlers Jamboree, the Central Oregon Swap Meet, and the Demolition Derby. The consensus of stakeholders was the Fairgrounds are appropriately situated to meet most needs and are most accessible to rural visitors. No stakeholders expressed any desire to relocate any of the facilities to a different site.

Over the course of the engagement process, community stakeholders expressed a desire for new facilities and programming, which are shown in the table below.

Amenities/Facilities	Programming
• Splash pad • Swimming pool/therapy pool (swim team currently only able to operate 3 months per year in outdoor pool) • Performing arts center for high school • Meeting space • Large venue space • Indoor arena space • High school priority is new performing arts center • Mini-car racetrack • Climbing wall • Bowling • Disk golf course • Indoor shooting/archery range • E-sports • Indoor walking space • Gymnasium type space, school gyms currently overcrowded • Batting cages for the high school, current facility shared with wrestling • Skating rink – temporary facility as a pilot • Livestock sale yard • Teaching kitchen for 4H Club • Larger, more numerous barns	• Basketball • Lacrosse • Volleyball • Soccer (currently provided through High Desert Parks & Rec) • More rodeos, including NPRA events • Horseback lessons • Livestock shows/sales multiple times per year • Equine events (e.g. cutting, horse shows) • Cattle industry events (e.g. club calf shows) • Dances/competitions for the schools • Staffed activities where kids will be supervised • Air rifle shooting • Paintball • Hockey • Chainsaw carving competitions, strongman competition • State-wide rodeo events, team roping, qualifying events for Las Vegas (with promoters/sponsors) • Concerts • Trade shows • Bird Festival

The most common suggestions for new facilities was for an indoor venue that could be used for a variety of purposes, and an indoor arena that could serve both as a year-round arena facility and replace the dated barn facilities. The programming suggested in order to take advantage of these new facilities included attracting more cattle industry and equine events, providing space for indoor sports in the winter, such as basketball and volleyball, concerts, and supervised space for children's activities both for school events and during non-school hours.

The community needs and desires are complimentary to that of attracting demand from elsewhere in the Market Area. The development of a new indoor arena would satisfy the needs of the 4H Club and FFA for space for their animals, while also helping to attract new cattle and equine events from across the region. The indoor multipurpose event space would likely see the majority of operating hours used by community organizations and children's activities, but would also serve to attract concerts, and trade shows. The facilities would also help to revitalize the Fair, allowing for new activities and vendors, higher capacity, and reduced crowding.

5 Future Opportunities

5.1 Range of Investment Potential

Reinvestment in the Fairgrounds facilities will expand the variety and quantity of community uses, as indicated by the stakeholders. Schools, community organizations, and local government have identified recreational, event, and safety functions that the Fairgrounds could satisfy if the appropriate facilities are developed. In addition to the user fee revenue generated, meeting FEMA requirements for shelter space could unlock state and federal funding.

Beyond the local community, a modern indoor arena could attract regional and state rodeo and equine events. A multiuse event space could attract regional sporting events and concerts. These events would generate tourism related economic activity, creating employment opportunities in the food and hospitality sector.

The opportunity is to become a regional hub for Eastern Oregon, hosting events including:

- More rodeos, including NPRA events and state-wide rodeo events, team roping, qualifying events for Las Vegas (with promoters/sponsors)
- Livestock shows/sales multiple times per year
- Equine events (e.g. cutting, horse shows)
- Cattle industry events (e.g. club calf shows)
- Chainsaw carving competitions,
- Strongman competitions
- Concerts
- Trade shows
- Various types of regional training exercises

With regard to hosting a more developed series of events and the potential associated with a larger multi-use event center, caution is required. Recognition that the ability to host events rests not only with the facilities for the events themselves but the entire capacity of the community to host visitors. This ranges from the quality and supply of hotel accommodations and restaurants to the overall accessibility of the community from the major population centres. The fact that Burns and Hines are located at the convergence point of for highways speaks to the potential to improve the hosting capacity of the two communities compared to the existing offer and the seasonal limitations of the fairgrounds. The fairgrounds represent a core aspect of civic ownership in the community and region at large and therefore maximizing the use of both the land and the calendar opportunities by building for winterized use represents an important principle that should underscore any plans developed for new investment at the fairgrounds.

As a principle, it is important to recognise that there is a cost to inaction – if the facilities are deemed to be central to community life, then reinvestment is required. If the base case represents business as usual and limited or no investment in either the capital needs of the facilities or the operations, there is a contingent cost that grows. This cost will need to be

funded at a later time when decisions to reinvest are driven by critical infrastructure failure or liability concerns. In this case, the cost of doing nothing is not nothing.

As a principle, if the fairgrounds are deemed to be important to the future of the communities, an investment plan is required, and an associated strategy for acquiring the necessary funds in an incremental manner according to the planned priorities for expenditure. With certain expenditures there is the potential for operating revenues to be generated to improve the multi-season potential of the venue. This will need to be balanced against the commitment to limit the costs for the use of the facilities by the community. However, the provision of a new facility (for example the development of a new indoor multi-use facility) will require a review of the user fee policies in place and the development of an events programs to help fund the operating costs of the facility.

There are also a number of smaller scale opportunities, including:

1. Improved race barns and 100 new barns in addition to the existing 146. However, racing is under threat based on budgeting constraints of the Oregon Racing Commission and racing only occurs during Fair.
2. Improved co-ordination between:
 - a. Fair Board
 - b. Parks and Rec
 - c. The Cities
 - d. Community groups
3. Development of horse-riding school. Consultation has found that there is a general belief that such a program would be viable. It is important to work with providers rather than initiate competition. An example would be the Crossroads Ranch, which provides equine therapy for people with Traumatic Brain Injury, PTSD, emotional, and cognitive disabilities. A riding school at the Fairgrounds could help Crossroads by providing a venue to assist them, as they do not have an arena at this time. This could offer greater/more varied indoor program opportunities.
4. New RV Park. The RV park development project has \$500,000 allocated to it by the County. The rough price per stall is likely to be anywhere from \$15,000 to \$50,000 depending on the level of amenity that is provided as well as the degree to which the existing roads ways and services on site are utilized in the design. Based on a review of other project financials, the estimate of \$500,000 should be generally sufficient to build 30 new RV pads and the required amenities, washrooms, incremental servicing and landscaping required. This assumes that the servicing costs are based on extension of existing services on site. The current RV stalls include power and water services, but not sewage hook ups. The design specifications will be influenced by cost and the level of private amenity space included in the design. It is therefore important for the Fair Board to consider the reasons that the RV expansion is required and estimate the potential number of renters that might be required at peak times. The plans as we understand

them are for an additional 30 sites – yielding 45 in total when the reduction in existing sites adjacent to the barns are included at the time of the Fair. The consulting team would recommend that the existing sites be relocated to a single, master planned RV park area (if possible) to maximize efficiencies. We recognize that the proximity to the barns is important for adding value to the location of the existing RV pads during the Fair. The design of any RV park should include accessibility and adjacency considerations for families wishing to stay close to their animals.

5. General community amenities to be further considered as part of a master planning exercise:
 - a. Dedicated picnicking areas and passive use parkland
 - b. Potentially water features up to and including spray-pads, splash-pads and wading pool, along with associated seating, changing room access, shade and other services
 - c. Cycling repair/rest station – geared to accommodating the growing trend for bicycle touring. Having an advertised rest station, bike repair stand (these are not manned but are tools, air, water and potentially other services that long-distance cyclists can take advantage of. This can also include access to other services potentially associated with the RV park for a fee (e.g. showers/laundry).
 - d. Summer sports courts, skatepark, pump track and other innovations.
 - e. Outside ice rink doubling as a sports venue for dry-pad use in the summer (e.g. basketball court). This is the kind of facility that speaks to the partnership potential in the community and could be the basis for a grant application based on the premise of community recreation, health and wellness needs.

Below is a photo of the site plan for the Larimer County “Ranch” in Colorado, including the Budweiser Event Center, an example of a master plan showing how a fully integrated fairgrounds can be mapped out properly.



Sierra Planning and Management

5.2 Estimates of Relative Urgency

5.2.1 Lifecycle

For the purposes of this report we will refer to Lifecycle Costing/Budgeting as it will relate to refurbished and new facilities only and not existing facilities which were not identified for replacement or which may have been listed as not recommended for refurbishment.

Lifecycle Costing is specific to long range budgeting with reference to specific aspects of each facility:

- Architectural. Includes walls, windows, doors, roof, floor finishes, seating, elevators, wall and ceiling finishes, etc.
- Structural. Includes foundations, concrete slabs, superstructure.
- Mechanical. Includes HVAC, dehumidification, plumbing, sprinklers.
- Electrical. Includes distribution, lighting, fire alarms
- Specials. Includes kitchen and concession equipment, box office, technology, signage and scorekeeping systems.

When determining an annual appropriation for budgeting purposes, the above categories are given a weighted factor relative to the overall replacement value of the facility upon which a percentage amount is dedicated to lifecycle improvements over the suggested life span of the facility.

It should be noted that lifecycle is not to be confused with an annual maintenance schedule/budget. The fairgrounds annual maintenance budget should account for necessary repairs to the facility that would include such items as painting, FFE replacement or upgrades, janitorial equipment and supplies, etc.

The Harney County Fairgrounds has numerous facilities that have previously been identified as in need of upgrades or have been recommended for replacement. In most cases, each of the identified structures show significant signs that lifecycle improvements or a deferred maintenance program has been lacking. This situation is not uncommon amongst city or county owned facilities and when left unresolved, as is so often the case, results in a significant capital outlay to bring the buildings up to current operating standards.

Section 6.1.1 makes recommendations for specific facility renovations and/or replacement based on age of the facility, current state of repair of the facility and projected usage of the facility over time. As such, renovations to the existing grandstand, improvements to the water and sewage infrastructure, upgrades to Memorial Hall and the Exhibition Building along with replacement of the livestock barns, show ring and 4-H building were given the highest priority. Once a decision has been made by the Harney County Fairgrounds on a direction relative to facility upgrades and a capital cost established for the repair, replacement and construction, then a comprehensive lifecycle costing schedule can be developed to provide the Harney County Fair Board with a long-range plan for the protection of their assets. The exhibit below is an example of what that costing schedule could look like, based on an arena project in British Columbia.

Exhibit 21: Lifecycle Costing Example

ITEM	Installation Year	% of Total Replacement Cost	Replacement Component Life	Estimated Building Component Value	Component Age	* Annual Reserve Amount (Complete Building Replacement)	* RESERVE AMOUNT		
							(20 Years)	(30 Years)	(40 Years)
ARCHITECTURAL									
Exterior walls	2019	12%	75	\$2,632,050	0	\$35,094			
Exterior Windows	2019	1%	40	\$219,337	0	\$5,483			
Exterior Doors	2019	1%	35	\$219,337	0	\$6,267			\$219,337
Interior Windows	2019	1%	40	\$219,337	0	\$5,483			
Interior Doors	2019	1%	35	\$219,337	0	\$6,267			\$219,337
Roofs	2019	6%	20	\$1,316,025	0	\$65,801	\$1,316,025	\$1,974,037	\$250,671
Interior Partitions	2019	5%	40	\$1,096,687	0	\$27,417			\$2,632,050
Stairs and Guards	2019	3%	40	\$658,012	0	\$16,450			\$1,096,687
Floor Finishes	2019	1%	20	\$219,337	0	\$10,967	\$219,337	\$329,006	\$658,012
Specialties & Fixtures	2019	1%	25	\$219,337	0	\$8,773		\$263,205	\$438,675
Dasher Boards	2019	1%	40	\$219,337	0	\$5,483			\$350,940
Seats/Bleachers	2019	1%	30	\$219,337	0	\$7,311			\$219,337
Elevator	2019	4%	35	\$877,350	0	\$25,067			\$292,450
Wall and Ceiling Finishes	2019	3%	25	\$658,012	0	\$26,320		\$789,615	\$1,002,686
Sub Total		41%							\$1,052,820
STRUCTURE									
Concrete foundations	2019	6%	75	\$1,316,025	0	\$17,547			
Concrete slab-on grade	2019	2%	50	\$438,675	0	\$8,773			
Superstructure	2019	20%	50	\$4,386,749	0	\$87,735			
Sub Total		28%							
MECHANICAL									
HVAC	2019	7%	20	\$1,535,362	0	\$76,768	\$1,535,362	\$2,303,043	\$3,070,725
Plumbing	2019	3%	25	\$658,012	0	\$26,320		\$789,615	\$1,052,820
Sprinkler	2019	3%	25	\$658,012	0	\$26,320		\$789,615	\$1,052,820
Sub Total		13%							
ELECTRICAL									
Distribution	2019	5%	25	\$1,096,687	0	\$43,867		\$1,316,025	\$1,754,700
Lighting	2019	2%	20	\$438,675	0	\$21,934	\$438,675	\$658,012	\$877,350
Fire Alarm	2019	1%	15	\$219,337	0	\$14,622		\$438,675	\$584,900
Sub Total		8%							
REFRIGERATION									
Refrigerated Ice Slab	2019	4%	25	\$877,350	0	\$35,094		\$1,052,820	\$1,403,760
Refrigeration Mechanical	2019	6%	20	\$1,316,025	0	\$65,801	\$1,316,025	\$1,974,037	\$2,632,050
Sub Total		10%							
Total Facility		100%		\$ 21,933,747		\$676,969	\$4,825,424	\$12,677,706	\$20,862,127

Annual Reserve necessary for major equipment repair/replacement -20 years

\$241,271

Annual Reserve necessary for major equipment repair/replacement -30 years

\$422,590

Annual Reserve necessary for major equipment repair/replacement -40 years

\$521,553

Source: ICC and Sierra Planning and Management

5.2.2 Americans with Disabilities Act (1990)

The Americans with Disabilities Act ("ADA") was enacted by the Department of Justice to provide inclusion for all regardless of ability or disability.

The portion of the Act that is most relevant to the Harney County Fairgrounds and any/all renovations or new construction contemplated at the fairgrounds, is referenced therein as "Assembly Areas". Specifically, any renovations to an existing structure or the design and

development of new facilities that provide spectator seating, viewing and congregating will require compliance with the Act.

To that end, once a decision has been made as to the future direction of the fairgrounds the Harney County Fairgrounds will be required to follow the ADA guidelines specific to Assembly Areas. This will include specific areas for wheelchair spaces, companion spaces and designated aisle seats that comply. Any lawn or open area seating must also comply with the guideline to provide equal and fair access to all areas regardless of disability.

The Act requires a specified number of wheelchair spaces to be allocated relative to the total seat count of the venue. For example, a facility that has a seating count of between 501 – 5,000 might be required to allocate 1 wheelchair access for every 150 fixed seats provided within the facility. In addition, if the facility (grandstand and indoor event center) has luxury suites, club boxes or VIP sections, it must follow the guidelines to provide appropriate access for ADA patrons.

We do not anticipate any issues in meeting the requirements of the ADA with regards to renovations and new construction but it is important to note that it is unlikely that the current fairgrounds facilities are in compliance with the Act.

5.2.3 Reduction of Liability

Taking measures to ensure the safety of Fairgrounds assets is necessary to reduce the potential for liability. Developing a deferred maintenance plan will provide a basis for identifying risks and indicating that reasonable measures were taken to mitigate those risks. Implementation of that plan, in addition to responding to unforeseen issues, will require additional maintenance support on an ongoing basis. Repairs to the grandstand are also needed within a short time frame, as the wood supporting the seating is dated and could be a liability issue.

We have identified the grandstand as a top priority for renovations (see Section 6.1.2). Specific areas of concern relative to potential liability include the general seating area, front handrails, hand railing accessing the seating area and walkways to seating areas.

In the following sections we have identified the minimum requirements that are required to minimize future liability issues for the fairgrounds.

5.2.4 "Must-Do" Priorities

Repairs to the grandstand are the most urgently needed maintenance measure for the safety and accessibility reasons discussed earlier in the report. In addition, the water and sewage systems are in need of repair, as there are challenges with the pig drains, creating a strong odor. The barns and livestock area are badly dated and poorly sized with insufficient capacity. There is also a need for smaller enclosures for smaller animals. The paddock is also in need of replacement. The food vending areas also require a significant overhaul. Other priorities include replacing the 4H Building and renovations to the Memorial and Exhibition Buildings.

Fairgrounds Grandstand

5.3 Recommended New Facilities Infrastructure and Phasing

As part of a larger program of improvements, we recommend development of the new RV park, an indoor dirt-barn facility in the medium term, and an indoor multi-use event/conference center with a fixed seating component in the longer term.

5.3.1 New Facilities

Indoor Arena

The indoor arena represents an important additional asset for the fairgrounds. It is based on a dirt floor functional plan with additional rooms and viewing at one end. It may or may not have spectator viewing stands and if these are included, they would be bleacher style. The particular requirements of this arena during the Fair (e.g. temporary pens, competition set-up, exhibition set-up; livestock sales and corralling (adjacent outside space) can be determined through the necessary planning and design phase. However, the facility would be designed to host a range of activities from weekly riding clinics to full-scale exhibit, and competition during the Fair. It would also be scaled according to requirements to ensure sufficient capacity to host major events. This will require a more detailed planning exercise to be undertaken.

Multi-Use Building

The multi-use facility would be an entirely warm facility, with flooring creating to enable multi-use indoor sports, events, gatherings and spectator use. It would have seating either fixed or retractable and would likely include a full development of kitchen and catering facilities to be able to support a range of banquet, conference and fair ground events.

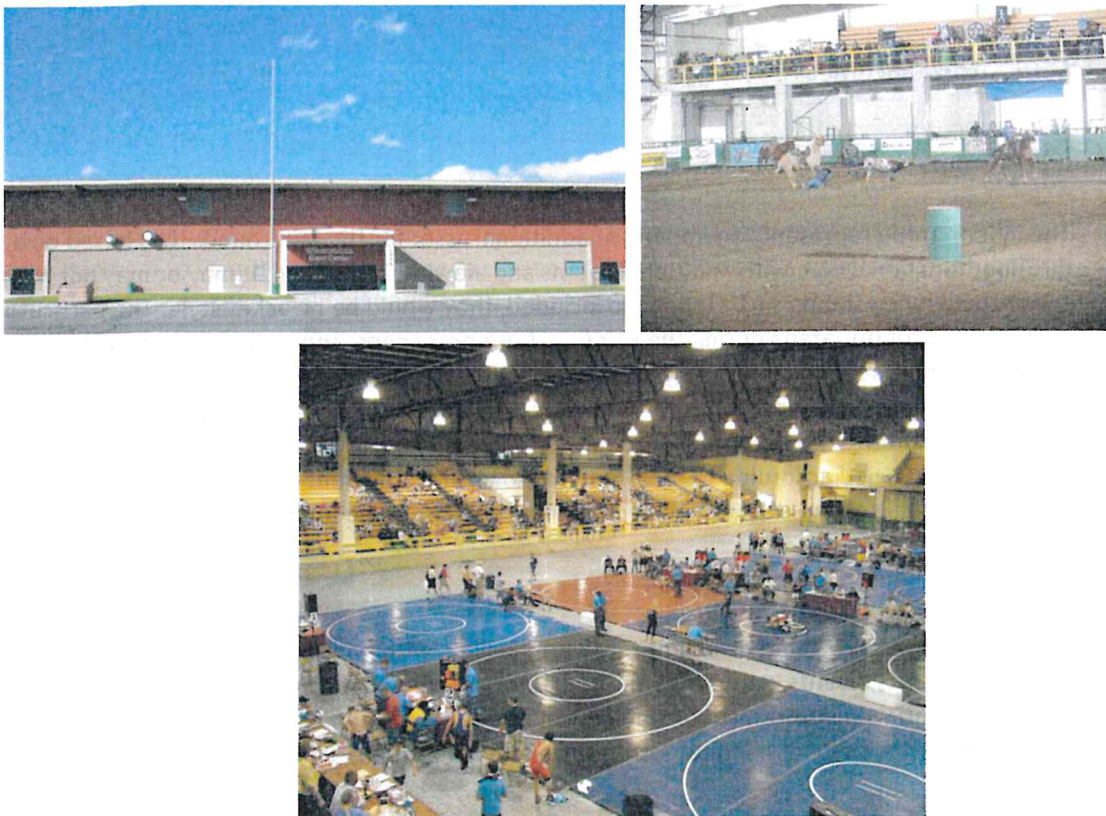
As part of the long-term plans for the Fairgrounds, this facility could be developed in such a way as to provide for and integrate the current range of community groups providing food services during the fair. While the indoor arena could also include this function, it is not

recommended that the indoor arena be considered as the sole indoor facility at this site. The potential exists for both of these buildings, and while it will be necessary to undertake a more in-depth master plan and business planning exercise to determine the viability of both, we anticipate that the first phase of the plans for major infrastructure additions to the site should include the indoor arena while a later phase would include the development of a comprehensive indoor multi-use community building.

Umatilla County Event Center

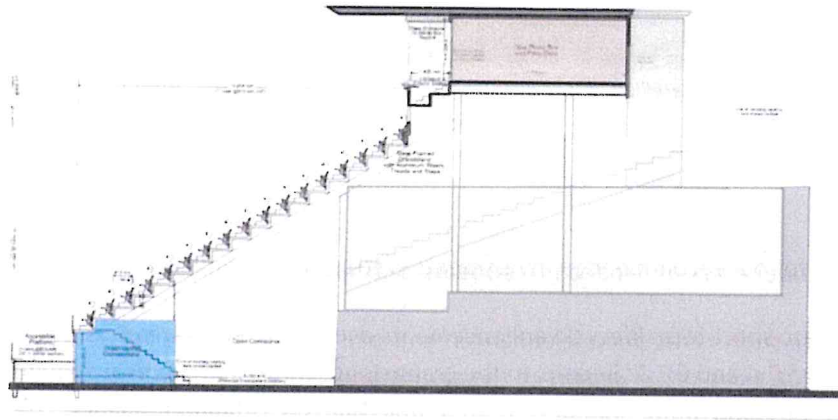


Winnemucca Event Center



The suggested concept building would integrate a grandstand on its northern side overlooking the horse racing circuit and rodeo ring. This type of development represents an increasingly

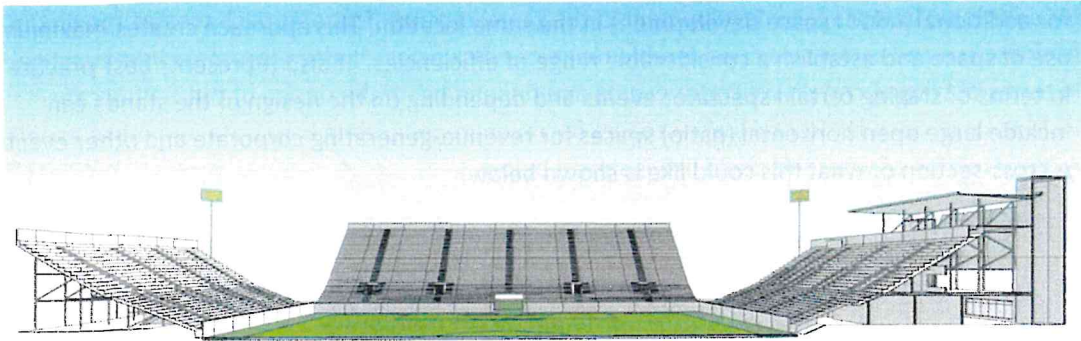
common approach to effective development of spectator stands where there is a clear demand for additional indoor space development in the same location. This approach creates maximum use of space and establish a considerable range of efficiencies. It also represents best practice in terms of staging certain spectator events and depending on the design of the stands can include large open horizontal (patio) spaces for revenue-generating corporate and other events. A cross-section of what this could like is shown below.



Examples of this type of structure are shown below from the Winnemucca Events Complex and Halifax Regional Municipality.

Winnemucca Exhibition Hall



Halifax Stadium Grandstand/Building

Source: Halifax Stadium Business Plan Phase 2, 2011.

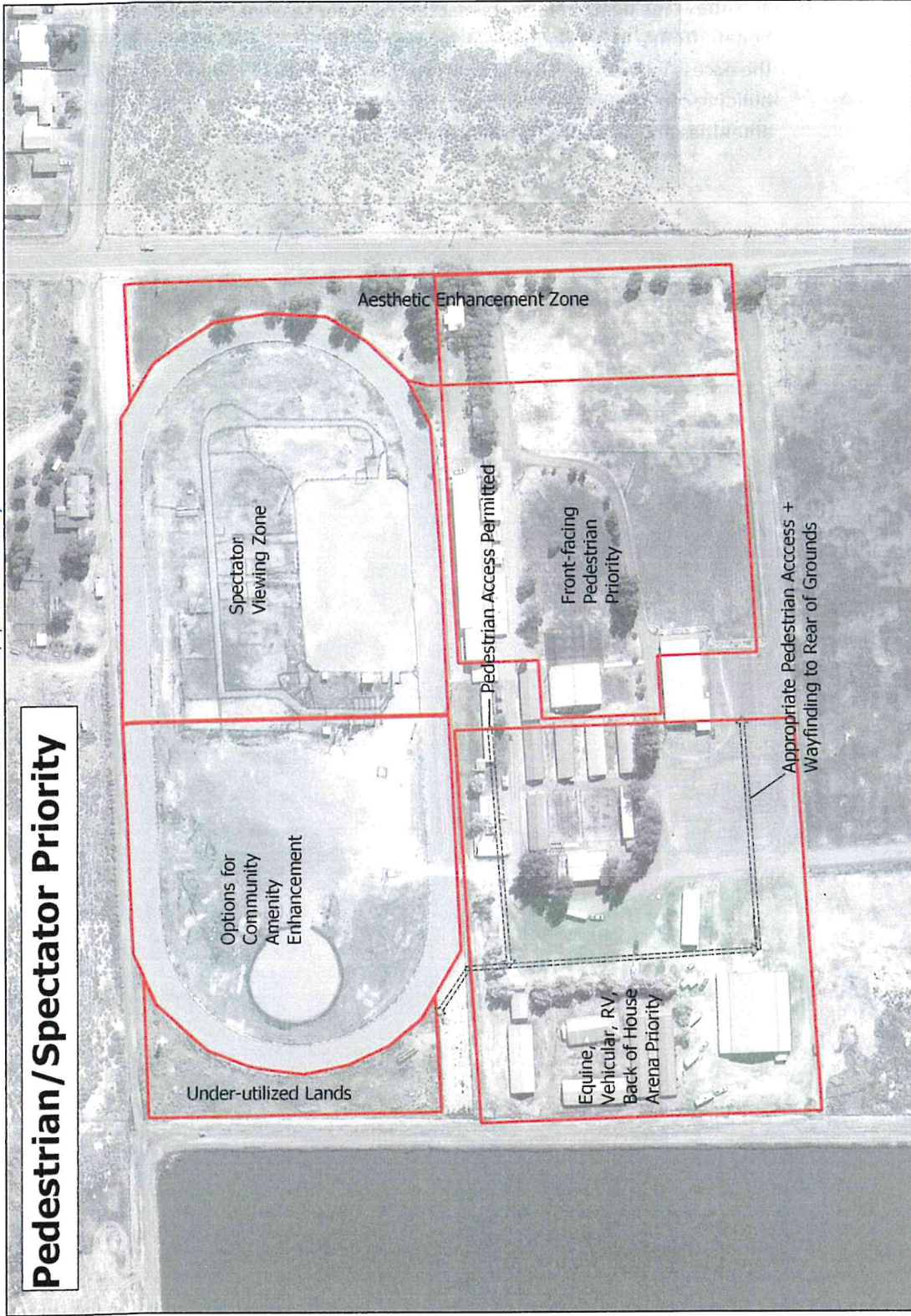
5.3.2 Phasing

The phasing plan for our recommended investments is structured as follows:

1. Immediate short-term lifecycle enhancements over the next 1-2 years as described in Sections 5.2.4 and 6.1.1: Repairs to the grandstand, water and sewer system upgrades, maintenance and minor upgrades to Memorial Hall, the Exhibition Building, the livestock barns, the 4-H Building, the livestock show ring, and the Fairgrounds Office.
2. Investment in the RV park
3. Shorter-term Fair infrastructure enhancements that are both desirable and required but which are not immediate expenditure concerns (i.e. investments necessary over the next 3-4 years): Concession and vendor display upgrades, racing barns and horse stall improvements
4. Master Planning type investments (incremental over a 5-year period): improvements to pedestrian access, signage and wayfinding, landscape enhancements and potentially realignment of access to establish necessary footprint for the major development planned; see Exhibits 23 and 24 for preliminary concepts.
5. Medium term: commissioning a new indoor arena following a successful capital funding strategy/campaign; see Exhibits 24 and 25 for a rough footprint of the proposed indoor arena within the Fairgrounds site area.
6. Longer term:
 - a) Development of an indoor multi-use center constructed potentially in association with the redevelopment of the grandstand (see Exhibits 24 and 25 for rough footprints within the Fairgrounds site area.
 - b) Retain and repurpose the Exhibit Building given its attractive massing, façade and roof design. This building has limited functionality as a future exhibit space and could be less relevant in that regard if other buildings are constructed. However, as a design element and potentially a covered entrance to a new indoor arena constructed immediately to the west in the central part of the Fairgrounds, this building has value. The structure itself could be used to host small gatherings in

front of the arena, or provide weather covering for a range of community activities ranging from farmers markets to other seasonal activities that would benefit from a hybrid indoor-outdoor space. With the necessary realignment of the access to the site in the long term, this entire area in front of the Exhibit building can become an enhanced visitor amenity area comprising lawns, amenities and access to the grandstands and concessions.

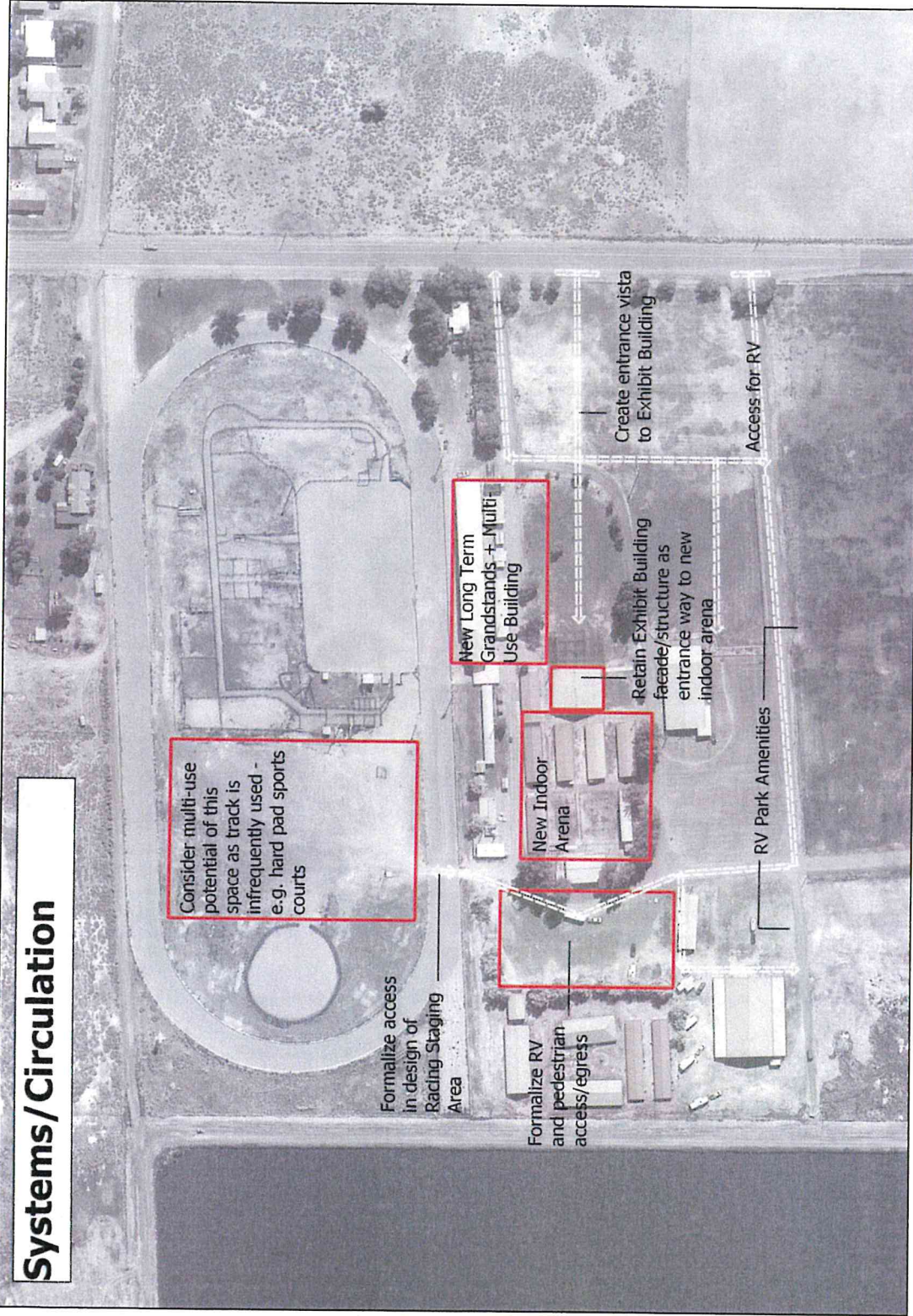
Exhibit 22: Pedestrian/Spectator Priority



Source: ICC and Sierra Planning and Management

Exhibit 23: Systems/Circulation

Systems/Circulation

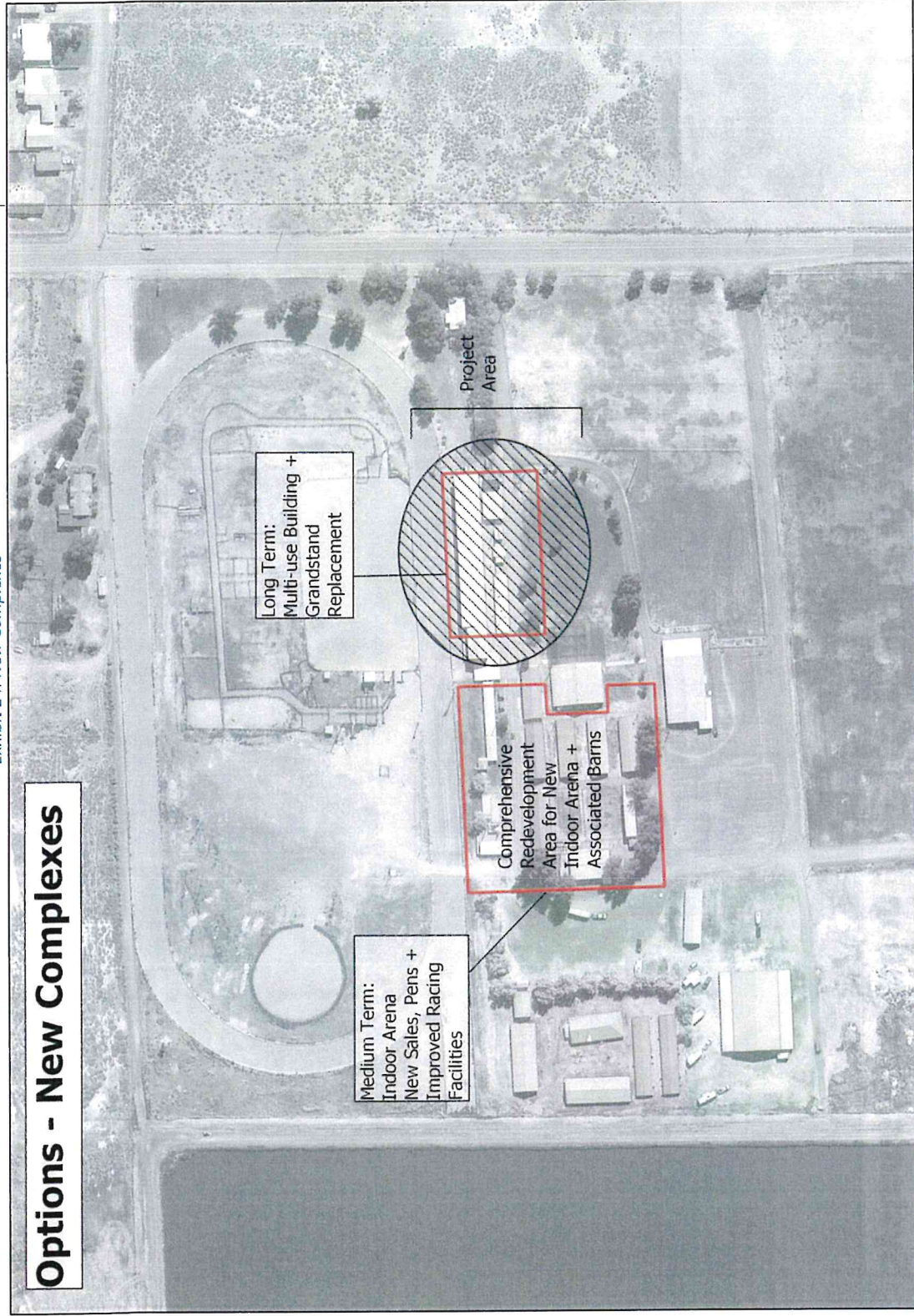


Source: ICC and Sierra Planning and Management



Options - New Complexes

Exhibit 24: New Complexes



Source: ICC and Sierra Planning and Management

6 Resource Implications

6.1 Capital Costs

The ICC-Sierra Team has provided an overview with regards to the state of the current fairgrounds facilities, the most current operating results of the fairgrounds, competing county fairgrounds operations and a guide to the repair and replacement of current facilities within the fairgrounds complex.

The following sections identify the facilities that we believe are in need of immediate repair or upgrades. In some cases, we believe only modest investment should be made in order to keep the facilities operable while a long-term facility plan can be implemented.

Initial observations of several other counties and their fairgrounds facilities indicates the majority have new or recently upgraded facilities placing a challenge to the Harney County Fairgrounds to upgrade in order to stay competitive and provide for a twelve-month business operation.

Our intent will be to identify the requirements necessary to bring the current fairgrounds up to the standard of others in the state. Our initial cost estimates will be based on a very preliminary plan and subject to an implementation schedule.

6.1.1 Required Immediate/Short-Term

1) Grandstand.

As mentioned earlier in this report, the grandstand area is in need of immediate repairs. We recognize that the fair and rodeo have a 95-year history in Harney County, with the grandstand dating back to 1905. As such, we understand the significance of the outdoor arena, the racing track and the grandstand as it relates to the overall perception of the Harney County Fair Rodeo and Race Meet.

We also realize that the grandstand area is only really used during the annual fair, with minimal usage possibly four other times per year, and that it is primarily a single purpose type facility. As such, we believe it would be unwise to invest in the replacement of the grandstand facility at this time. We rather suggest that repairs be made to the structure to make it a safer and more accessible one for patrons while providing a higher quality experience during event days.

Recent structural reinforcing to the grandstand provides a solid base from which to begin to make improvements to the spectator seating area.

- Replacement of risers and spectator seating sections as required. A more thorough assessment will need to be performed to determine the full state of the replacement.

- Review the possibility of facilitating a more secure/water protected space under the grandstand for fairground storage needs.
- A determination should also be made with regards to the total seating count for the grandstand area.
- Stairways and hand railings to be replaced
- Possible trip hazard areas to be replaced
- Handicapped seating areas to be improved
- ADA accessibility to be developed as per current code.
- Installation of a physical membrane to remove the opportunity for bird nesting/droppings.
- Improved lighting
- Improved sound
- Determine the long term need for the pari-mutuel box office



2) Water and sewer system upgrades

These areas were identified during our site visit tour of the fairgrounds and are of obvious concern for future operations. Basic infrastructure improvements will be required to bring the current fairgrounds up to a standard suitable for a twelve-month operation.

3) Memorial Hall.

During stakeholder meetings in October, the Memorial Hall was identified as the most used facility on the fairground's property. With some minor upgrades the facility will be able to accommodate more possible user groups with a better guest experience.

Small improvements to the HVAC units to soften the noise element in the facility will provide for a better meeting/conference room experience.

During stakeholder meetings, the sound system was noted as in need of upgrading. Storage, lighting and an improved entrance way all will add to the long-term viability of this very usable venue.

4) Exhibition Building.

The current Exhibition Building provides a gateway to the fairgrounds and should be maintained. The facility provides very usable space during the fair and could play a role in the future development of new facilities.

5) Livestock Barns, 4-H Building, Livestock Show Ring, Fairgrounds Office.

The Livestock Barns and adjacent Show Ring have been identified as in most need of repair or replacement. We see this as an opportunity to be able to condense the number of individual and single purpose facilities with the development of an indoor facility that would be able to incorporate all of the various uses of the current livestock barns and show ring as well as providing an area for the 4-H and Fairgrounds Office.

The development of this type of facility supports the findings of our stakeholder meetings from October 15, 16 and 17. The majority of those interviewed during that period suggested the need for an indoor facility that would meet the needs of the agricultural and equestrian communities while providing a twelve-month venue for multiple uses.

The facility would follow the example of those used in our study (Winnemucca Events Complex) being a pre-engineered steel structure with dirt floor and a modest amount of spectator seating. We would suggest a hard floor covering to go over the dirt floor to allow for "non-dirt" event usage as well as agricultural and equestrian events.

6.1.2 Discretionary Based on Market Opportunity

1) Concession and Vendor Display.

The current concession facility(s) have been identified as functional but in need of some upgrades as opportunity and finances avail.

If grandstand repairs proceed as suggested in 6.1.1, it would be advisable to consider facilitating concessions underneath the bleacher section. This adaptation makes functional use of the space already under cover while allowing for the demolition of the current concession building and as such opening up the entrance way to the fairgrounds or making more space available for vendor booths/displays.

2) Racing Barns and Horse Stalls.

The improvements to the racing barns, horse stalls and possibly dry barn is based on the growth of the fairgrounds business both during the fair and post fair. This post fair business growth is subsequently predicated on the assumption that an indoor event center has been developed and is operable over a twelve-month calendar.

3) Recreational Vehicle Camping Park.

Enhanced camping facilities are being considered by the County for the fairground's location allowing for the current parking stalls to be widen and a new area developed beyond the Dry Barn facility.

4) Events and Conference Center.

A final concept to consider at some point in the development of the fairground's property would be the introduction of an event and conference center that would have a fixed seating component, dry floor with meeting and conference capabilities. The facility type was discussed during various stakeholder meetings in October and can best be described as something for the future.

6.2 Necessity of Operational Support

Improving the condition of existing facilities will also require increased operational support, in terms of maintenance and cleanliness. In the short term this will necessitate the hiring of an assistant to the manager. Currently, there is no deferred maintenance plan. For safety and to ensure the long-term viability of Fairground facilities, a plan will need to be developed, the implementation of which will require operational support.

New facilities will require staff to enable facilities to meet the programming needs expressed by the community, required for the facilities to be sustainable. While volunteers perform invaluable services during the Fair and in other events and recreational activities, there was consensus among stakeholders that volunteers do not have the time or resources to undertake additional programming. Additional staffing will therefore be required for the new facilities to function as intended. This is in addition to the implementation of a deferred maintenance plan – new facilities will require less maintenance in the first years of operation, but will gradually need more regular support.

A multi-purpose building, to fill its role as a venue for numerous types of events, requires support in order to reconfigure the building from one function to another. Likewise, the arena will need to serve a variety of animal species of different sizes and needs.

6.3 Funding Opportunities

Opportunity Zones

Opportunity Zones were created to revitalize economically distressed communities using private investment rather than taxpayer dollars. To stimulate private participation, taxpayers who invest in Qualified Opportunity Zones are eligible to benefit from capital gains tax incentives available exclusively through this new legislation.

Opportunity Zones are census tracts generally composed of economically distressed communities that qualify for Opportunity Zone designation according to the 2017 Tax Cuts and Jobs Act. Opportunity Zones exist in all 50 states. Governors of each state were tasked with nominating qualifying census tracts in their jurisdictions for Opportunity Zone designation. A look at the preliminary census tract map dated June 15, 2018 indicates that the Burns-Hines incorporated area, and possibly all of Harney County, appears to be a designated Opportunity Zone. As such, a very significant opportunity exists for the Harney County Fairgrounds to take advantage of possible private capital to invest in the renovations and new construction projects outlined in the Recommendation and Next Step sections.

Should the Harney County Fairgrounds decide to move forward to Phase 2, a close examination of this possible funding source should be investigated.

US Department of Agriculture ("USDA") Rural Development Programs

The USDA has numerous funding programs for rural communities several of which are based on population. Some are in the form of grants while others are loan guarantee programs using local lending institutions.

ICC has been involved with two such programs for projects similar to the Harney County Fairgrounds concept. The State Farm Arena in Hidalgo Texas is a 5,500 seat multi-purpose event center that was developed in part because of an USDA \$9,000,000.00 Rural Development loan guarantee program. Another is a \$5,000,000.00 Rural Development loan program for a multipurpose event center in Sheffield Alabama.

Should the Harney County Fairgrounds decide to move forward to Phase 2, an investigation into possibly USDA programs should be initiated.

Hotel Occupancy Tax

Many communities utilize their hotel occupancy tax to support projects that support and enhance tourism and overnight stays. The Harney County Fairgrounds most certainly supports tourism through the various offerings within the complex and those envisioned should certain upgrades be initiated at the fairgrounds. A twelve-month operation at the fairgrounds featuring an indoor event center facility capable of hosting a variety of events that promote overnight stays should provide some incentive to increase the current occupancy tax rate.

Although sometimes controversial with local hotel owner/operators, it is a method of funding that avoids creating a burden for local taxpayers and should be explored fully as a possible source of funding for future development.

Federal Emergency Management Agency ("FEMA")

FEMA's mission is to "support the citizens and first responders to promote that as a nation we work together to build, sustain and improve our capability to prepare for, protect against, respond to, recover from and mitigate all hazards."

As such, federal programs are available to cities and counties that are able to demonstrate that their proposed facility development plan will support the mission statement of FEMA. Other locations have been successful in securing funding from FEMA for projects that can be shown to provide a disaster relief shelters and staging areas during fire, hurricane and tornado destruction.

As the Harney County Fairgrounds proceeds forward, this possible opportunity should be explored.

7 Recommendations and Next Steps

Preliminary Findings (Phase 1)

As a result of the initial field review inspection of the facilities and a several days of detailed consultation with the full range of current users of the facility, as well as City, County and Paiute Tribe officials, the following emerging directions exist:

1. A number of the facilities have a level of functional obsolescence that will necessitate either their removal or replacement. This includes facilities principally based on the operation of the annual Fair in September;
2. In addition, the lack of multi-season operating capacity is limiting the revenue base of the facility as well as the potential to meet required community needs;
3. The spectator facilities are sub-par and based on age, would not meet any of the detailed ADA requirements associated with safe public assembly and spectator events; and
4. Above all, the Fairgrounds are a beating heart of the community and require reinvestment in operational terms – better budgets, more revenue accretion, and a wider range of community needs met. This is local economic development and the Fairgrounds have a role. There is a major opportunity with the appropriate investments because of the commitment to the location, the strategic opportunity of Burns and Hines as regional hubs, the community legacy and commitment to the Fair, and then the potential associated with great programming and events as demonstrated from our research and consultation.

This report outlines the future range of potential uses and the scale of required improvement to meet the basic requirements of the fair ground operating as an annual agricultural and community exposition.

As discussed in Section 5.3.2, we recommend the following investments in the Fairgrounds:

1. Immediate short-term lifecycle enhancements over the next 1-2: Repairs to the grandstand, water and sewer system upgrades, maintenance and minor upgrades to Memorial Hall, the Exhibition Building, the livestock barns, the 4-H Building, the livestock show ring, and the Fairgrounds Office.
2. Investment in the RV park
3. Shorter-term Fair infrastructure enhancements over the next 3-4 years: Concession and vendor display upgrades, racing barns and horse stall improvements
4. Master Planning type investments over a 5-year period: improvements to pedestrian access, signage and wayfinding, landscape enhancements and potentially realignment of access to establish necessary footprint for the major development planned
5. Medium term: commissioning a new indoor arena
6. Longer term:
 - a) Development of an indoor multi-use center constructed potentially in association with the redevelopment of the grandstand

- b) Retain and repurpose the Exhibit Building given its attractive massing, façade and roof design as a design element and potentially a covered entrance to a new indoor arena constructed immediately to the west in the central part of the Fairgrounds, and to host small gatherings in front of the arena or provide weather covering for a range of community activities. With the necessary realignment of the access to the site in the long term, this entire area in front of the Exhibit building can become an enhanced visitor amenity area comprising lawns, amenities and access to the grandstands and concessions.

Pursuant to these investments we recommend greater collaboration between the Fair and other providers of recreation and community events is a strong possibility, most notably if and when facilities are developed to help establish program opportunities throughout the year. The question of partnerships in terms of both capital costs (seeking grant funding for example) and operational collaboration to reduce the net costs to the Fairground can only reasonably be undertaken when a long-term plan for the rejuvenation of the Fairgrounds is in place.

In addition, we recommend staffing resources to implement our short-term recommendations and support the proposed new indoor arena. Eventually this would likely be an additional 2 FTEs and a number of part time program and conversion staff. In the short term there is a need for an assistant position, and a budget or reserve to be created for the maintenance needs of the facility.

The rationale for our recommendations is as follows:

1. Development of a program to enhance the year-round capacity of the fairgrounds to serve important community needs as well as generate clear economic development benefits to the County and its communities.
2. Despite the clear need and opportunity to invest in multi-use/multi-season buildings, the essential role of the fairgrounds to host the annual fair means that investment is required in that infrastructure per the specifications of this report.
3. The addition of an indoor agricultural arena can meet the immediate opportunities for events and community programming in a way that is entirely distinct from other community facilities in Hines and Burns.
4. While small in scale, the Memorial Centre Building currently performs an indoor event center function (capacity for 400 seated) and is used throughout the year for a range of functions. On this basis what is most lacking is an indoor arena.
5. The arena can also rejuvenate certain of the infrastructure shortcomings of the Fair at present if livestock exhibiting considerations are taken into account in the location and design of the indoor arena.
6. The immediate and longer-term investments that are required for the Fairgrounds will create funding challenges such that a progressive phased approach is essential. It is also the case that incremental improvements may create further market opportunities and justify necessary investments in the scale of operating resources necessary to maximize the potential of the Fairgrounds. Investment, incremental and surgical in nature, may lead to demonstrated success which then forms the basis for more expansive investment in the longer term.

7. Most importantly the changes that we are recommending offer the potential for discrete projects that can be separated from one another such that if funding is not forthcoming for later projects, the functionality of the Fairgrounds is maintained and improved as a result of projects that have occurred. This represents a modular approach to infrastructure replacement and requires careful planning to be effective and avoid “throw-away” capital expenditure as longer term projects necessitate the redevelopment of areas of the grounds that have been subject to recent, incremental capital investment. These realities serve to further emphasize the merit of a detailed long-term master planning process.

Next Phase of Work Requirements (Phase 2)

The next phase of work following the presentation of written findings and recommendations to the Commissioners and the Fair Board include the following:

1. A master planning exercise to include concept planning and site planning potentially including the location of new buildings, decommissioning others, rerouting access roads and ensuring effective circulation and necessary separations between vehicles, livestock, visiting public and pedestrian access.
2. Necessary design solutions for improvements and additions to the buildings on the site
3. Estimations of capital required

Following the development of the master plan, a further phase would include the following (Phase 3)

Phase 3 Work

1. Detailed assessment of the design, engineering, capital cost needs, funding and delivery method for the selected investment in new buildings on the site.
2. Upon approval of the Fair Board with regards to estimated costs, the development of conceptual designs for fairgrounds facility improvements and for new facilities.
3. Upon approval of conceptual designs, approval to move forward with schematic designs and preliminary cost estimates.
4. At the end of this Phase we will have an approval master site plan, a plan for the demolition of designated facilities, an improvement schedule for designated facilities and an overview of potential new facilities to be added to the current fairgrounds site.
5. A possible addition, if requested by the Fair Board might be the development of an operating budget for the new fairgrounds.

Appendix A: Site Visit Assessment

Harney County Fairgrounds Feasibility Assessment

Summary of Site Visit

1. Background Information

The facilities on the Harney County Fairgrounds site include an outdoor arena, a racetrack with grandstands, concession stands, a beer garden, an administrative office building, a number of booths, two beef barns (one of which houses the FFA Office), a beef/goat barn, a sheep barn with scale, a pig barn with scale also housing the Clerk's Office, a sales barn, a building housing the 4H Club, an RV park, and three horse stall buildings. In general, the buildings are out of date in terms of both their structure and equipment. In particular, the grandstand and barns are in poor condition, and accessibility is limited. Currently there is no deferred maintenance plan. See Section 2 Building Conditions & Observations below for details on each facility.

The primary activity of the Fairgrounds is the Harney County Fair in September, running for five days. Typically, the Fair includes a rodeo, carnival (not held this year), talent show, horse races, parade, and other events, including those sponsored by 4-H and Future Farmers of America. The Fair is the last of the year within the State of Oregon. The current facility has served as the Fairgrounds since the 1930's. The State provides \$53,000 in annual funding for holding the Fair, and entry admission is \$10. The other main source of revenue during the Fair is concessions and alcohol. The Lion's Club is the largest vendor at the Fair, with the Fairgrounds receiving 20% of revenue (~\$7,000). Other alcohol sales are contracted out, with the Fairgrounds receiving 20% of the revenue.

During the Fair, the RV park holds 30 spaces tightly packed together. RV park users pay \$20 per night for power/water or \$350 per month. There is currently a plan to construct 30 new spaces and reduce the overcrowded existing facility to 15 (for a net addition of 15 spaces) as part of a state park, which would provide \$30,000 in revenue every 2 years. The County has set aside \$500,000 for this purpose.

A total of 72 events took place year to date in 2019, other than the Fair. Of the 72, 27 were youth events, 34 were public and 10 were private. See Section 3 User Group and Stakeholder Needs for further details.

Staffing currently consists a Fair Manager (responsible for both the Fair itself as well as all activities and upkeep of the Fairgrounds throughout the year) and an assistant with janitorial and upkeep responsibilities. During the Fair, many responsibilities are handled by volunteers and in the case of the betting system, state Racing Commission staff.

The following stakeholders were consulted during a site visit from Oct. 15-17, 2019:

- Harney County Commissioners
- Chamber and EDC
- City of Hines

- Paiute Tribe
- City of Burns
- Harney County Fair Board
- School Boards/Districts
- 4H and FFA
- Stockgrowers
- Farm Bureau

2. Building Condition & Observations

- Grandstand
 - Dates from the 1950's or 1960's, wood construction
 - Seating for 1,200, seats are 18 inches
 - Roof dates from the 1980's
 - Steps and handrails recent, 2018
 - Structural repairs (steel lower support beams added) and ADA seating added in 2001
 - Fire hazard: fire extinguishers only fire safety feature
 - Extensive bird droppings, no staff to clean
 - Sound system works in the stands but not in arena – contestants can't hear, renting additional sound equipment costs \$3,000 per year
 - Underneath grand stand is used as storage space
- Alcohol/Concessions
 - Alcohol permitted in beer garden and stands, beer tap used only during demolition derby
 - Not enough usage to justify investing in full concession stands
 - Kitchen equipment is relatively new including fryer, hotdog, and fridge freezer
 - More food storage space under "Indian Section"
- Exhibition Building
 - Constructed in 1938
 - Well designed facade
 - No heating or AC
 - Stage setup outside from of building
- Memorial Building
 - Building is 35 years old with update in 1995 (added sprinklers)
 - Kitchen in good shape, renters hire their own caterers
 - Vast majority of events held here (main source of revenue), used for trade shows, weddings, funerals
- 4H Building
 - Old, leaking roof
 - Rarely used outside fair
 - Could be used for classes
 - Possibly 2 buildings combined into 1
 - Furnishings: old very heavy tables, difficult to carry
 - Not used in winter other than woodworking

- Horse stalls
 - Paddock dates from the 1950's
 - 146 horse stalls
 - Capacity challenges during Fair, adequate outside of Fair
 - 4H Horse Club has 20 kids
 - Tarp covered building behind RV areas serve as stalls for horses following microburst event
- Barns
 - Very dated
 - Poor condition
- RV Park
 - 30 spaces during Fair, over-crowded
 - Normally 2-4 spaces occupied on weekends outside of Fair
 - Electricity and water available
 - RV's pay \$20 per night for power/water, \$350 per month
 - Plan to construct 30 spaces, reduce the overcrowded existing facility to 15 (net addition of 15 spaces)
- Parking
 - Parking is currently adequate outside of Fair
 - During Fair, field adjacent to parking lot is used as free overflow, and there is a charge for use of the regular parking lot

3. User Group and Stakeholder Needs

A total of 72 events took place year to date in 2019, not including the Fair. Of the 72, 27 were youth events, 34 were public and 10 were private.

At present, seniors' groups use a small meeting and kitchen area of the Fairgrounds, but do not make substantial use of the Fairgrounds overall. They would likely use more if the washrooms and other facilities were accessible. Interest in use would include holding dinners and fund-raising events, joint activities to bring in younger seniors for activities such as gardening, cooking, and walking. County staff indicated a need for indoor walking and activity space for seniors during the summer months.

The Paiute Tribe currently conducts their pow wow on the Fairgrounds, either outside on the grass or in the Memorial Building depending on the weather conditions. The Tribe also uses the Fairgrounds to hold informational meetings with the residents of Hines and Burns. During the Fair, the Tribe has a booth which they use as a venue for education. A Paiute representative from the indicated that the booth is too small, and that one 3-4 times the size would be better suited. Some Tribe members also sell concessions during the Fair. The Tribe holds its lacrosse tournament at the Fairgrounds as well as roller skating events.

The Chamber of Commerce has in the past held its banquet at the Fairgrounds and would consider doing so again in order to bring back a previously held dance, if there was an appropriate venue. The Chamber

would also consider holding a poker night on the Fairgrounds. The Migratory Bird Fest Dinner is also held at the Fairgrounds in the Memorial Building.

The 4H Club and the FFA use the barns at the Fairgrounds to hold animals. During Fair, they are housing a combined total of approximately 200 animals, which exceeds the capacity of the existing facilities. Most of FFA's use of the Fairgrounds is during the Fair itself, but they also host their Alumni Dinner at the Memorial Building. 4H Club also hosts a dog show at the Fairgrounds. The 4H Building is used for all non-animal related activities. The size and condition of the building do not adequately meet the organization's needs. Currently 42% of eligible youth are enrolled in the 4H Club. Among its activities, the 4H Club has a riding club, but participants must have their own horse.

The education system in the region is administered by the Burns School District, the Harney Education Service District and the Crane School District. The Crane School District administers the schools in the rural areas outside of Burns and Hines. The schools use the Memorial Building for graduation events and dinners and would be interested in using the Fairgrounds for dances and competitions if the appropriate venues were available. The schools also host student rodeo events at the arena. A major priority for the Burns High School is a new performing arts center.

Representatives from the Stockgrowers indicated that bigger and more numerous barns were a priority for them. It was suggested that with the appropriate facilities, equine events (e.g. cuttings) and cattle events to showcase the industry could be held on the Fairgrounds. In addition, a larger sales barn would allow cattle sales to be undertaken on site.

The County and Cities of Hines and Burns have emergency and law enforcement needs that could be fulfilled at the Fairgrounds with appropriate facilities. In some cases, funding would be available if the facility can meet these conditions. There are new FEMA guidelines surrounding the use of facilities as a staging ground for firefighters and other emergency workers and as an emergency shelter (the facility would need showers, storage space, training space, bus access). The state has been preparing for "Cascadia Rising" further west, a potential disaster even in which Harney County could be a staging area in a disaster, with the plan to transfer people east rather than host an influx of people. Law enforcement indicated a new for a venue for training as there are none currently in the county with the flat open floor space needed. Similarly the Fire Department indicated a need for training space in a large indoor area for winter training and potentially hosting conferences.

The Farm Bureau hosts it's Tractor Class in the 4H Building. A representative indicated that indoor facilities could bring conferences and rancher events such as cuttings, horse shows, club calf shows, and more rodeo events. It was suggested that new facilities could also encourage the Bureau to hold annual meetings at the Fairgrounds.

Other events held at the Fairgrounds include a farmers market that currently runs outdoor from last frost to first frost (moving to indoor would allow longer run), a gun show held in the Memorial Building, the High Desert Fiddlers Jamboree, the Central Oregon Swap Meet, and the Demolition Derby. The consensus of stakeholders was the Fairgrounds are appropriately situated to meet most needs and are most accessible to rural visitors. No stakeholders expressed any desire to relocate any of the facilities to a different site.

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4. Desired Facilities/Amenities and Programming

Amenities/Facilities

- Splash pad
- Swimming pool/therapy pool (swim team currently only able to operate 3 months per year in outdoor pool)
- Performing arts center for high school
- Meeting space
- Large venue space
- Indoor arena space
- High school priority is new performing arts center
- Mini-car racetrack
- Climbing wall
- Bowling
- Disk golf course
- Indoor shooting/archery range
- E-sports
- Indoor walking space
- Gymnasium type space, school gyms currently overcrowded
- Batting cages for the high school, current facility shared with wrestling
- Skating rink – temporary facility as a pilot
- Livestock sale yard
- Teaching kitchen for 4H Club
- Larger, more numerous barns

Programming

- Basketball
- Lacrosse
- Volleyball
- Soccer (currently provided through High Desert Parks & Rec)
- More rodeos, including NPRA events
- Horseback lessons
- Livestock shows/sales multiple times per year
- Equine events (e.g. cutting, horse shows)
- Cattle industry events (e.g. club calf shows)
- Dances/competitions for the schools
- Staffed activities where kids will be supervised
- Air rifle shooting
- Paintball
- Hockey

- Chainsaw carving competitions, strongman competition
- State-wide rodeo events, team roping, qualifying events for Las Vegas (with promoters/sponsors)
- Concerts
- Trade shows
- Bird Festival

5. Limitations/Concerns

This section describes limits and concerns that have been identified by the stakeholders.

- The Fairgrounds are in a flood area, however this may change with next update. Despite this, facility would only need to be elevated by 1 foot to meet requirements.
- The Wi-Fi set up is currently functional, but there may be a need more bandwidth with the increased use of a new facility.
- Concerns were raised about hotel capacity. There are currently approximately 500 rooms. During the summer, 4-6 nights a week rooms are unavailable. There are constraints on population growth limits including water supply, old housing stock, empty lots and the loss of employment due to the lumber mill closure.
- There are currently restrictions on alcohol sales outside the beer tent and grandstands that limit revenue generator opportunities
- Oregon Racing Commission Funding is uncertain, with the organization currently budgeting annually rather than biannually
- Limited ability to raise taxes to fund bond issue

6. Repair/Replacement Needs

- Grandstand needs replacement/repairs, safety and accessibility concerns
- Water/sewage system needs repair, issues with pig drains
- Food vending areas need major revamp, could put under bandstand
- Barns/livestock areas out of date, can't walk down the aisles to see pigs, can't reach animals, insufficient capacity, need smaller enclosures for smaller animals
- 4H Building replacement, need larger facility
- Paddock replacement
- Renovations to Memorial and Exhibition Buildings

7. Potential Funding

- If new facility meets FEMA requirements, there is the potential for state and federal funding plus monthly fee for hosting
- USDA and RDI funding for rural Oregon may be available
- Oregon Community Foundation (portal for grants)

- If new facility meets FEMA requirements, there is the potential for state and federal funding plus monthly fee for hosting
- Potential for Opportunity Zone investments and New Market Tax Credit
- Increase to municipal lodging tax
- Negative feedback on prospects for raising money through a ballot initiative
- Increased sponsorship
- Ending contracting out of alcohol sales (Fairgrounds get 20%)
- \$500,000 currently available for RV park expansion

8. Alternative Facilities

- Elk's Lodge
- Chamber of Commerce Building
- Bear Lodge, restaurant and RV Park
- Sage Country Venue/Rentals, B&B and tents
- Gino's Gym under construction, to be used by Kids Club
- Hospital meeting rooms
- Gathering Center on Reservation
- Oregon National Guard Building owned by Paiute Tribe
- Facility near Chamber of Commerce building owned by Paiute Tribe being renovated, will have offices, meeting space, room for vendors

9. Preliminary Recommendations

In order to be sustainable, stakeholders agreed with the articulation of a vision of the Fairgrounds as a 12-month facility, attracting events and use throughout the year. Based on the variety of uses envisioned by the stakeholders and user groups, it is recommended that a multi-use building be developed that can adequately meet the needs of all organizations. This facility would be able to host concerts, conferences, public meetings, and sports activities, attracting regional and state-wide events.

One of the exterior walls of this multi-use building could be designed and shaped to form a new grandstand. This would be the most efficient way to replace the current grandstand, which is inaccessible and poor condition. The multi-use building would begin underneath the grandstand wall and extend outward.

It is also recommended that the arena be replaced with a larger indoor facility, capable of hosting more high-profile cattle and equine events year-round. This would benefit local users such as the 4H Club and FFA, who would not be limited by weather, and would have larger and more suitable facilities to house animals. There was broad agreement among stakeholders that the barns are in need of replacement, being both too small and too archaic, and this new arena would serve this function.

Finally, for the new facilities to be sustainable, there must be an appropriate type and level of programming. While volunteers have been very helpful during the Fair and in other events and recreational activities, there was agreement among the stakeholders that volunteers do not have the time or resources to undertake additional programming. Additional staff will be required for the new facilities to function as intended.

A phased approach is recommended, as stakeholders emphasized the need for visible progress in order to open avenues for additional funding. Based on feedback from stakeholders on current patterns of use the following prioritization is suggested:

1. New indoor dirt floor arena facility
2. Replacing grandstand with multi-functional building with grandstand built into wall



