



ISLAND COUNTY FAIRGROUNDS

STRATEGIC PLAN

DRAFT 02-14-2014

March 2014

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Prepared by

Landerman-Moore Associates
Anacortes, Washington

LRS Architects, Inc.
Portland, Oregon

March 12th 2014

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Acknowledgements

There are many who participated in the planning process, giving abundantly of time, knowledge and views regarding the fairgrounds future. To each, we are grateful. In particular, to members of the Strategic Plan Steering Committee, we offer a special debt of gratitude and appreciation.

| | |
|----------------------------|--------------------------------------|
| Dan Ollis, Committee Chair | Fair Board/Owner Whidbey Coffee |
| Karen Bishop | Whidbey Island Conservation District |
| Marshal Bronson | Port of Coupeville/EDC Board Member |
| Fred McCarthy | Mayor, City of Langley |
| Kathy McLaughlin-McCabe | Good Cheer |
| Ron Nelson | Island County EDC |
| Helen Price-Johnson | Island County Commissioner |
| Paul Schell | Seattle Mayor Retired/Business |
| Joel Servatius | Oak Harbor City Council |
| Damien Green | South Whidbey School District |
| Curt Gordon | Port of South Whidbey |

In addition, the Island County Fair Association Board of Directors and staff have been very helpful in the process, having provided information, suggestions and data. We extend a most sincere appreciation for their cooperation and participation.

| | |
|--------------------|----------------|
| Diane Divelbess | President |
| Lynda Knapp | Vice President |
| Anita Smith | Secretary |
| Sandey Brandon | Treasurer |
| Dan Ollis | Director |
| Jason Kalk | Director |
| Mary Ann Mansfield | Director |
| George Lawson | Director |

Introduction

Significant economic shifts, coupled with changes in leisure interests and spending patterns, have induced the Island County Fair Association, with the support of Island County, to commission the preparation of a Strategic Plan.

The process has been guided by a Steering Committee consisting of dedicated civic and business leaders from throughout Island County. Landerman-Moore Associates and LRS Architects were engaged to conduct research, analysis and planning. They were charged to organize a business development strategy and facilities improvement plan that, when implemented, will benefit the Whidbey Island Area Fair, the people of Island County and Pacific Northwest region.

This Strategic Plan is, in fact, is an economic development strategy conceived on principles designed to improve economic performance of the fairgrounds property through a change in property management, incremental shifts in production, and sequenced facilities improvements. The benefits apply to public and private interests and, over time, will foster new jobs and create business opportunities. The plan is designed to afford a real prospect for the Island County Fair Association to focus on improved production of the annual Fair thus ensuring its quality, sustainability and growth in the years ahead.

While a new brand, *“The Island Event Center”*, will be established, the tradition of the annual fair will be preserved. Enterprise and public service opportunities during the remaining calendar year, themed on the basics of music, food and drink, will expand into festivals, special events, trade shows, symposiums, and competitions, effectively penetrating substantial markets and economic values.

In the coming years, every effort will be made to attract visitor populations and serve local populations while enhancing destination qualities of the village of Langley and other communities on Whidbey and Camano Islands.

We are pleased to introduce the Island County Fairgrounds Strategic Plan.

Basis for the Plan

Four principles form the basis of organizing the Strategic Plan.

- Sustainable markets
- Organizational structure
- Production capacity
- Economic performance

Within these principles site and facilities improvements and operating procedures are defined and applied.

SUSTAINABLE MARKETS: Preliminary analysis indicates that about 10.6 million people live in the Pacific Northwest region. Of this population, the primary market population is about 4.0 million and the annual visitor population to Whidbey Island is 980,000. A key element in assessing sustainable use activities is market penetration and related per-capita values in terms of patron expenditures assigned to use activities and events produced at the site.

Beyond generational participation and attendance at the annual Whidbey Island Area Fair, Enterprise or Public uses and events fall into categories of, Festivals, Special Events Fairs, Expositions and Shows, Conferences and Symposiums, and Competitions or Demonstrations. Within each category there are a number of specific functions or activities that may be considered. Each event generates financial transactions that facilitate monetary values through rent, fees, and contracts, sales and advertising.

Events related to food and beverages have grown dramatically, stimulated through lifestyle changes for Washingtonians, and people throughout the nation. Consumer interests are continuing to shift away from industrialized agricultural, both foreign and domestic, toward locally produced foods that are safe, fresh and have high nutritional value. The rise of local and regional food systems over the last several decades is also driven through the efforts of entrepreneurs, community organizers, small and family farmers, and food policy advocates.

In particular there are, Farmers Markets and Community Supported Agriculture Systems (CSAs), which have established family-shopping venues offering high quality grains, fruits and vegetables, and natural beverages at reasonable cost.

Increased awareness of the health benefits of farm-fresh foods has expanded consumer demand. Small farm products are preferred in providing products to schools, restaurants, and supermarkets. Other “mainstream” institutions are increasingly buying selected products from small farm producers. However, this recent phenomenon has exposed the need for venues to promote “farm to fork” business within emerging markets and to better educate agricultural enterprises in investing and managing crop production and distribution of small farm agricultural products.

Thus, the Strategic Plan applies a core business objective that extols small farm agriculture through events and use activities; events that drive market exposure and direct sales, such as a *“Farm to Fork Agri-Fair”*; events that attract domestic and foreign interests representing governments, civic institutions, science, technology, education, advocacy groups, and industry manufacturers. It also provides an entertaining venue for retail and wholesale interests, and consumers. The paradigm in play is stimulated by a simple question. *“Who grew the food, where was it grown and how was it grown...and is it safe?”*

In considering ways to enhance market penetration and share, programming of events combine music with drink and food. Research and comparative analysis strongly indicates that such events contribute to the sustainability of small farm operations and advance consumerism of nutritional foods and advance diversity of agricultural based products. It is proven that, if properly administered, a focus on this market segment will have a cascading effect on business development and overall economic performance of the site and economic benefit in the area.

ORGANIZATIONAL STRUCTURE: Under current arrangements with Island County, the fairgrounds is operated and maintained by the Island County Fair Association, a non-profit 501(c) (3) corporation. The association is responsible for producing the annual Whidbey Island Area Fair and managing the use and maintenance of facilities and for non-fair activities.

To ensure preservation and financial stability of the annual Whidbey Island Area Fair, it is essential that the Association be released from its property management responsibilities. By so-doing, the Association may focus its human and monetary resources on production of the annual fair.

In its place, the most appropriate organization to operate and maintain the property is a Public Development Authority (PDA) which is a public corporation as provided by RCW 35.21.730. The PDA will be authorized to incur debt, form public or private partnerships and function as a tax exempt enterprise operating on public land secured by a formal lease agreement with Island County. This recommendation is supported by several factors.

First; the economic model most likely to succeed is *'revenues earned plus public services rendered equals self-sufficiency'*. This model recognizes the requirement to provide for non-revenue producing (public service related) activities but accounts the cost of such activity in the balance of its revenue earning capabilities.

Second; a Public Development Authority may develop partnerships, memberships and sponsors thus creating 'public ownership' and private participation that ensures the integrity of public purposes while fostering enterprise and economic development.

Third; a Public Development Authority retains a service oriented structure linked to Island County, City of Langley, Coupeville, Oak Harbor and with education, private associations or NGO's by specific agreements, thus participating in grants, donations, budget allocations, member dues, product sales, interest and investment income, or contributions as well as earned income and on-site revenues.

Fourth; a Public Development Authority may organize fundraising programs for capital projects and create local and regional volunteer services that support promotions, capital improvements, operations, and maintenance needs.

Fifth; a Public Development Authority is state and federally regulated with reporting requirements. It has sufficient accounting procedures and flexibility to allow efficient operations, on a cooperative basis, within local and federal guidelines.

Sixth; a Public Development Authority has a Board of Directors, Executive Director and staffing structure that can be functionally organized to ensure effective and responsive services in terms of administration, promotion, production, capital improvements, property management and maintenance, and overall economic performance.

PRODUCTION CAPACITY: Among several, including weather, there are two major factors that influence event production. One is site design capacity, the other is calendar. Both directly influence size, character, timing and economic performance of events and, in general, overall production and operations.

Site design capacity is the physical space required to produce an activity. This applies to event set-up, production and people space, and, the support space for parking, warehousing and storage. The calendar is influenced by seasonality, weather conditions, multiple event programming and the time required for event set-up, production and tear-down. The annual Whidbey Island Area Fair, for example, is a four day event requiring nearly 30 days of site use. Other event set-up and tear-down requirements vary and are added to production time. Thus an events calendar can exercise control on overall productivity through a twelve month operating period.

The Island County fairground is a 12.8 acre site or 557,568 square feet in size. There are 27 structures on the property which has a frontage on Langley Road of about 1,410 feet. The north boundary along Dalton Lane is about 510 feet and the back or westerly property line is about 1,440 feet in length.

For 2012, there were about 184 non-fair event days. The posted events calendar for the property indicates a number of on-going activities such as horse and dog exercise and training, 4-H Game shows and riding lessons. There are also stage plays, live music jam sessions, holiday fairs, and special events. The dominant use of the property is horse training and exercise with 131 event days. Next is "Outcast Productions" with 23 event days, followed by Music/Jazz Sessions at 17, about thirteen 13 4-H game shows and 3 seasonal events.

The math suggests about 50% of available calendar days are used for various activities. Current use, however, reveals impediments that contribute to a weakness in overall economic performance. Facilities most used are the Horse Arena and Fine Arts Studio Theater. Other facilities are used intermittently or serve as storage. Thus it is essential that a new and vibrant spectrum of activities be established, penetrating sustainable markets with strong revenue capacities.

ECONOMIC PERFORMANCE: Fairs, Expositions and Event facilities typically generate revenue through several transaction points. These include admission fees, facility or space rental, concession contracts, advertising, parking fees and other miscellaneous revenue sources.

The business and economic model for such facilities strives to follow that of private corporations whereby “retained earnings” is a necessity. However, the Island County Fair Association’s ability to attain such a financial status has proven nearly impossible. It is therefore essential that future financial policy definitions, set in place by the PDA, meet proven business principles and economic performance thresholds.

To survive, and grow as an economic engine, the PDA must determine its functional roles as “Landlord”, “Producer” or “Co- Producer”. Then, apply management and operating principles that recognize both enterprise needs and public purpose values. There must be a balance of enterprise and public service production wherein fiscal management policies consider a monetary formula; *“Revenues Earned + Public Services Rendered = Self Sufficiency”* where financial deficiencies incurred through public service is off-set by enterprise revenue.

Presently, the Island County Fair Association has no internal retained earnings capacity. Even with significant volunteer support, operations are managed on a “*get by as best one can*” basis. Maintenance is deferred. Facilities suffer wear and deterioration renders them less and less adequate for event production. There is no capitalization capacity to invest in improvements that respond to market opportunities. Thus the only financial dexterity exercised is to “survive”. While such efforts are noble, what is occurring is a slow-motion spiral toward demise of the fair and possible property closure.

Thus, the challenge is to create a strategy that lifts an underutilized resource and establishes organizational, production and economic development fuel necessary to place it on a road that promotes commerce, the people of Island County and cultural and industrial assets of the region. The first step in meeting this challenge is formation of the Strategic Plan, and aggressively implementing its recommendations and guidelines through the formation of the Island Event Center Public Development Authority and its supporting Foundation.

Historical Perspectives

In terms of its beginnings, the first Island County Fair opened to the public in 1895 as a project of the Island County Horticultural Society. In 1912 the Fair transformed into a private stock company. It then reincorporated in 1923 as a Washington state nonprofit organization. In 2002, the Island County Fair Association became a 501(c) (3) nonprofit corporation, in part because the Association saw itself as a contributor to the area economy as well as a public service provider.

Throughout its history, the Fair has largely depended on volunteers. A quilt hanging in the Fair office confirms that "*There is nothing stronger than the heart of a volunteer.*" Fair Association members are volunteers; all department superintendents and stewards are volunteers such as the 4-H. Fair Association members strive to present the best possible Fair to the public, and invites all who share that goal to participate.

The first parcel of land was acquired in 1934 for \$300. Construction by the WPA, volunteers and donated materials began in 1935 with the Gust Skarberg Building, commonly known as the "Pole Building". The structure was completed in 1937.

Additional structures, including horse barns and exhibit buildings, were erected during the 1940's, '50s, and early '60s. At that time, the Fair Association owned and maintained the Fairgrounds, operating with the assistance of volunteers. In 1962, the Fair Association deeded the Fairgrounds property to Island County and thus it is in public ownership with a lease between the Association and Island County. The lease, dated July 16th 2012, has an initial term of two years. Then the lease is to be renewed in four year increments up to 75 years unless otherwise amended or terminated. There is no rent or lease fees charged to the Association and all operating revenues are retained by the Association for the duration of the lease.

Fair Revenues are generated by admissions, fees and percentages of sales, camping fees and stall fees and carnival by commission. Non-Fair revenues are received from boat storage, camping, rents and donations. The primary mission is to improve production of the Fair and maintain the property. However, in terms of stewardship, the Association maintains a focus on the Fair's beginnings and its character as an "old-fashioned" country fair now known as the *Whidbey Island Area Fair*.

■ The Setting

The Fairgrounds property is situated in the community of Langley which has a population of about 1,086 within the city limits and nearly 4,800 in the immediate unincorporated area. This small and historic town is truly a “*Village by the Sea*” facing northeast on Saratoga Passage, an 18 mile seaway accommodating recreational boaters and commercial marine traffic traversing Puget Sound and northwest waterways.

Of the estimated 980,000 tourists coming to Whidbey Island, Langley hosts over 114,000 visitors through the year. There are four calendared major events in Langley drawing visitors from the San Juan Islands, the mainland and beyond. These include Mystery Weekend held in late February, Choochokan, held the week following the 4th of July, the annual Whidbey Island Area Fair, the largest event by far, held in August, and Djangofest held in September.

The town and fairgrounds are accessed by Camano Avenue which connects to State Highway 525. Highway 525 traverses the 60 mile long Whidbey Island in a north and south alignment, connecting, via the famous Deception Pass Bridge, to Fidalgo Island. At the southernmost limits, Highway 525 enters the town of Clinton where a State Ferry Terminal conveys traffic to the mainland and the Seattle, Bellevue, and Tacoma metropolitan areas. The island is also accessed at the Keystone Ferry Terminal which is a conduit for local, business and vacation travelers from Port Townsend and Olympic Peninsula via U.S. Highway 101 and Washington State Route 20.

The Fairgrounds neighborhood is a mix of residential, education and institutional services with green space and forested parcels. Views are generally toward the water, Camano Island and the distant Cascade Mountain range including majestic Mount Baker. It is a rather pastoral setting which is typical of Whidbey Island generally and particularly Langley with its “Langley Loop” attracting bikers and road travelers coming to or passing through the town and Whidbey Island.



Existing Facilities

The first permanent buildings erected were in 1923. Construction on the Pole Building began in 1935 and was completed in 1937. Over the years, primarily during the 1940s, '50s and early '60s horse barns, exhibit halls and other structures were erected. At present, there are about 27 buildings and structures totaling nearly 85,000 sf. within the 12.8 acre site.

The focus and intent of the Fair Association has been that facilities remain unchanged in terms of character. Its mission has been to improve the Fair as an event and enhance the Fairgrounds with the hope that qualities of an old-fashioned country fair be retained. However, over time, use and insufficient funds to repair, maintain and replace or enhance facilities has rendered the structures in poor condition. Many now have severe use limitations.

Additionally, over time, structures added to the facilities inventory were built with meager budgets resulting in reduced structural quality, longevity and capacity to support production demands. The infrastructure has deteriorated, been abandoned, or built-over by adding additional utility pipes or modifications to support changed user locations such as rides or food and beverage vendors. The following summarizes the existing site and facilities.

Table 1
Existing Property & Facilities Summary

| | |
|----------------------------|-------------|
| Property Size in acres | 12.8 acres |
| Property in Square feet | 557,568 sf. |
| Existing Structures (27) | 84,987 sf. |
| Use Areas | 92,250 sf. |
| Circulation and Open Space | 380,331 sf. |



**Table 2
Existing Facilities & Size Information**

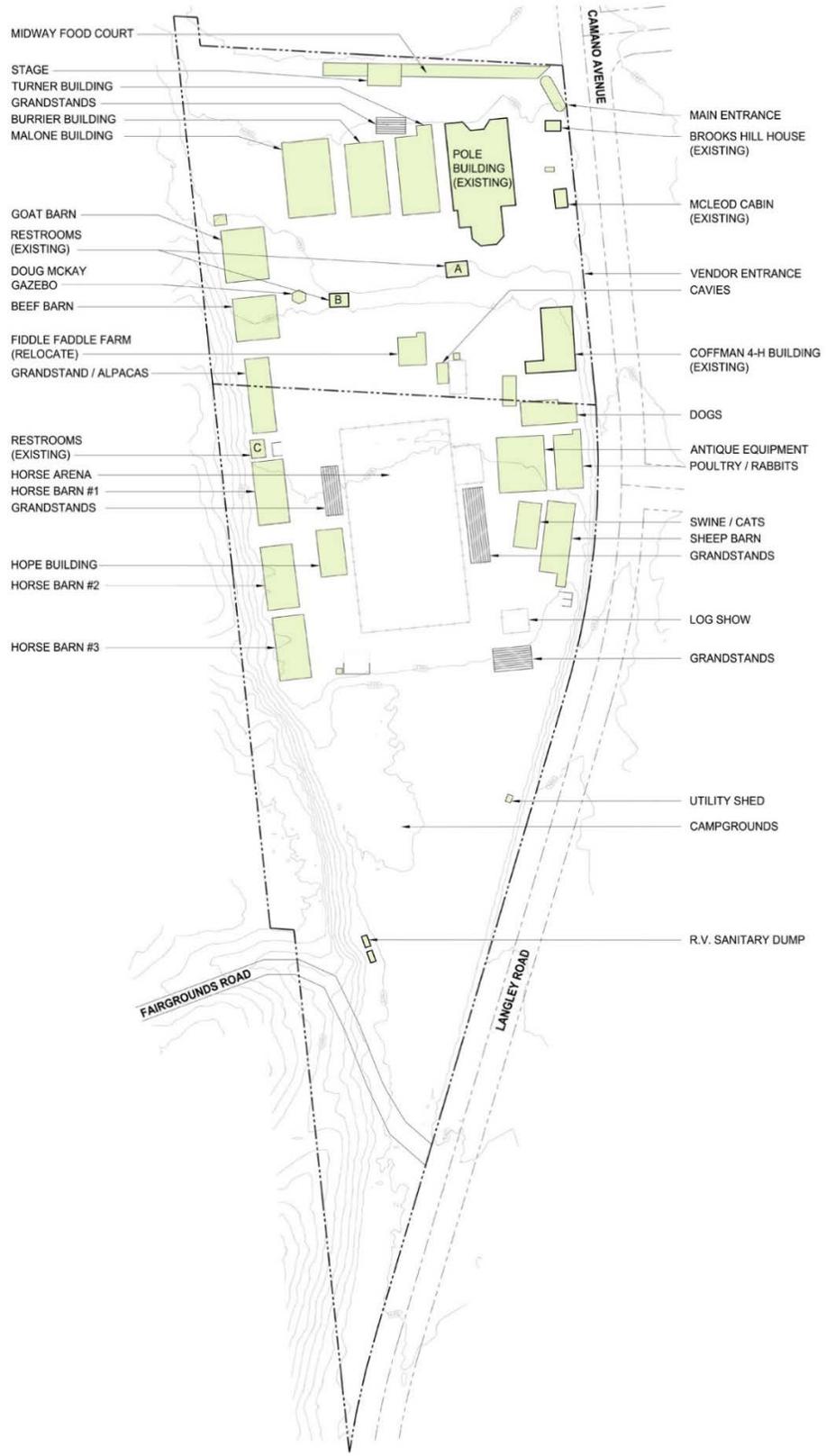
| Structures | Size | Length and Width |
|---------------------------------|-------------|-------------------------|
| Pole Building | 12,000 sf. | 80 x 150 |
| Turner Building | 5,000 sf. | 50 x 100 |
| Burrier Building | 4,800 sf. | 50 x 96 |
| Malone Building | 6,720 sf. | 60 x 112 |
| Sheep/Goat Barn | 6,720 sf. | 60 x 112 |
| Beef/Dairy Barn | 3,190 sf. | 55 x 58 |
| Horse Barn No. 1 | 4,200 sf. | 50 x 84 |
| Horse Barn No. 2 | 3,400 sf. | 40 x 85 |
| Horse Barn No. 3 | 3,200 sf. | 40 x 80 |
| Grandstand | 3,000 sf. | (?) |
| Heritage/Goat Barn | 3,450 sf. | 36 x 96 |
| Coffman 4-H Building* | 3,440 sf. | 40 x 86 |
| Antique Barn | 4,320 sf. | 60 x 72 |
| Dog Arena and Shelter | 4,320 sf. | 60 x 72 |
| Swine/Cat Barn | 1,800 sf. | 30 x 60 |
| Rabbit/Poultry Barn | 2,345 sf. | 35 x 67 |
| Sheep Barn | 3,456 sf. | 60 x 112 |
| Ken Short-Fiddle Faddle Farm | 1,330 sf. | 35 x 38 |
| Warehouse Conference Room | 720 sf. | 24 x 30 |
| Midway (Eva Mae Gabelein) Stage | 760 sf. | 20 x 38 |
| Midway Food & Beverage Booths | 2,784 sf. | 12 x 232 |
| Hope Building (Two Story) | 2,140 sf. | 34 x 63 |
| Horse Barn Restroom | 432 sf. | 18 x 24 |
| Restroom 'A' | 560 sf. | 20 x 28 |
| Restroom 'B' | 450 sf. | (?) |
| Restroom 'C' | 450 sf. | (?) |

Total **84,987 sf.**

| Other Use Areas | Size | Function |
|--------------------------------------|-------------|--------------------------------|
| Horse Arena (150x220) | 33,000 sf. | Equestrian Shows and Training |
| Carnival | 20,000 sf. | Rides, Games, Food & Beverages |
| Outdoor Exhibits Area | 2,250 sf. | Commercial Exhibits and Booths |
| Recreation Vehicle Park (0.85 acres) | 37,000 sf. | R V Parking and Dump Station |

Total **92,250 sf.**

Source: Island County Fair Association: *The Coffman Bldg. has a 624 sf. covered shelter structure.



Plan 1 - Existing Facilities Map

■ Production

The Whidbey Island Area Fair, held in August of the year, is a premier event in the island community. On average, 23,000 people attend during its four production days. Prior to production, over two weeks are required for staging and set-up. After the Fair, another week is required for tear-down, storage and clean-up of the grounds. During the Fair, patron parking spreads into the village of Langley and every privately or publicly owned available space that charge and retain parking fees.



The Fair is programmed to offer exhibitions, demonstrations, competitions, entertainment, food, beverages, merchandising, carnival rides, amusement games, a number of educational programs, a parade, as well as a special highlight on horse shows and competitions. Agricultural products are to be exhibited, as well as animals of various breeds. Additionally, public safety, public services, and awareness programs will be integrated into the Fair.

Presently, there are 650 exhibitors participating in the annual fair. Attendants, janitors, administrative and maintenance staff help produce the Fair. Vendors, exhibitors, equipment operators and volunteers engage in set-up, production and cleanup.

Production of the Fair fills the 12.8 acres and all available permanent structures. An RV park, with utility hook-ups, accommodates 66 RV units which are restricted to 30 feet in length. A sanitation dump station is available for the RV units. The Association also produces the Country Christmas, a fund-raising event held during the holiday season. A new event is the Cinco de Mayo auction, first held in May of 2013. The Association also hosts an Easter Egg Hunt and Scarecrow Festival.

During the “non-fair” season the facilities are used for storage, artisan plays, horse training, therapeutic riding, and intermittently other 4-H and non-profit or community organization functions.

■ Current Economic Performance

Two economic performance classifications apply to year around operations at the Fairgrounds. One is revenue based, the other is public service. At present, there are considerable public services and a minimum of revenue producing uses. Considerable dependence on non-paid volunteer for operations and maintenance is required.

The Island County Fair Association employs two full-time persons. They are the manager and maintenance supervisor. In addition, one temporary worker is hired to assist with buildings and grounds maintenance from May through August. One temporary person is hired to assist in office work from June through August and two cleaning crew supervisors and up to 28 cleaning and janitorial crew is hired as part-time/temporary workers during the annual fair resulting in an additional full-time equivalent (FTE) labor force of four (4) persons. Beyond paid labor, there is an estimated 12 persons dedicated to providing volunteer services who work on an as need or as available basis. It is estimated that this cadre of workers provide between 550 to 750 hours of volunteer service a year.

Economic performance is reflected in two separate ledgers. The first is "*Fairgrounds Operations*" which includes the annual Whidbey Island Area Fair. There is a negative balance measured by income compared to expenses. The revenue side of the ledger is about \$220,000 and the expense side is about \$230,000 indicating no retained earnings and a net \$10,000 loss. Fair admissions classifications generate \$3.73 per capita value.

The second ledger is "*Island County Fair Association*" which addresses non-fair uses and other social or fund raising activities. Revenue for 2013 is about \$52,000 while expenses are \$45,000, showing retained earnings of \$7,000.

Public service functions that benefit local residents are considerable. 4-H programs, arts, entertainment, equestrian, therapeutic riding, as well as other non-revenue producing activities represent community service values similar to public recreation, typically funded by taxpayers. There is no effective measure of "performance" except to suggest that "but-for" the availability of land and facilities, present uses or activities may not exist. Under this level of economic performance there is little capacity for preventative maintenance, and no ability to engage in capital improvements, market expansion or event production investment. The Association does its best to be a caretaker and produce the Fair with deteriorating facilities and infrastructure that impedes progress.

Development Strategy

■ Overview

In the future, the Island County Fairgrounds shall be known as *“Island Event Center, Home of the Whidbey Island Area Fair”*. The property is to be managed under a lease with Island County by a Public Development Authority (PDA), created by statute as defined in the Washington State RCW 35.21.730.

The primary function of the Island Event Center Development Authority (IECDA) is facility marketing for event production, property management, and maintenance. Its operational objectives are specialized in facilitating business expansion, commerce and economic development, including jobs creation, through special events, symposiums, trade shows, entertainment and leisure activities that attract patrons from Western Washington, the Pacific Northwest and beyond. The IECDA may function as a co-producer in partnership with event producers or a producer of certain events that emerge through the promotional and administrative skills of the IECDA.

An established customer and long-time property user is the Island County Fair Association which produces the annual Whidbey Island Area Fair. The Fair is a four day event drawing 23,000 patrons. For production of the annual fair, the Association will have 25 use days of the entire property designated by terms of a lease agreement. In addition, the Island County Fair Association produces *“A Country Christmas”*, a fund raising event held during the holiday season. Calendar time and facility accommodations may be made available for this event as well.

Other existing property users include non-profit and community organizations, clubs and civic groups, and individuals engaging in a mix of recreational and leisure activities including therapeutic riding, horse training and riding lessons, theater productions, game shows and various public service activities. One of the core business pursuits is establishing the Island Event Center as a resource for Small Farm agriculture and *“Farm to Fork”* market development through events, symposiums, trade shows and festivals.

Markets

The resident markets consist of populations living within primary and secondary geographic areas. The visitor market consists of tourists visiting Washington State and Whidbey Island. Visitor populations access Whidbey Island via the State Ferry System at two crossing points, one at the southern tip, another mid-way up the Island.

The primary market population is about 4 million. The combined primary and secondary market population is approximately 10.8 million persons. The 2012 visitor population was 980,000 with about 115,000 visiting Langley during the calendar year.

The following market population information is by county for the primary resident market, and by state and province for the secondary resident market population, and visitor populations currently accessing Whidbey Island.

Table 3
Primary Market Area Population by County

| | |
|------------------|------------------|
| Island | 79,700 |
| Jefferson | 30,275 |
| King | 1,981,900 |
| Kitsap | 254,000 |
| Pierce | 814,500 |
| San Juan | 16,000 |
| Skagit | 118,600 |
| <u>Snohomish</u> | <u>730,500</u> |
| Total: | 4,025,475 |

Source: Office of Financial Management, Growth Management Forecasting April 1, 2013

Note: For a complete demographic assessment for Island County please refer to the Island County Economic Development Council, 2013 DEMOGRAPHICS report.

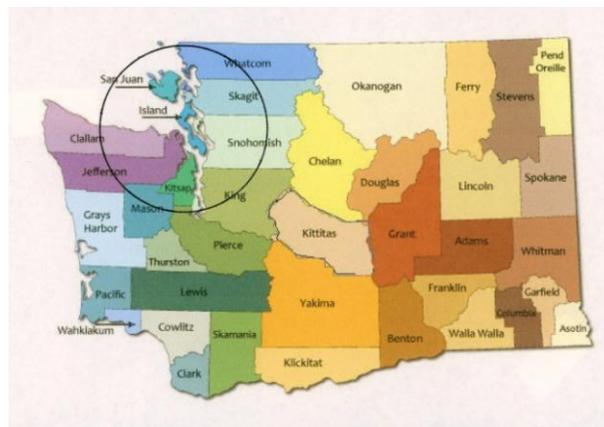


Table 4
Secondary Market Area Population by State/Province

| | |
|----------------------------------|-------------------|
| Idaho | 1,595,728 |
| Oregon | 3,899,353 |
| Washington | 6,897,012 |
| <u>British Columbia, Canada*</u> | <u>4,582,000</u> |
| Total: | 10,764,093 |

Sources: U.S Census 2012 Update; Bureau and Ministry of Labor, Citizens Services & Open Government, Population Data for July 31st 2013*

Table 5
Visitor Population: 2012

| | |
|---|----------------|
| Total Person Trips | 980,000 |
| Overnight Stay in Private Homes | 597,000 |
| Overnight Stay in Hotel/Motels | 247,000 |
| <u>Overnight Stay in other accommodations</u> | <u>136,000</u> |

Source: Economic Trends in the Port of South Whidbey by BST Associates, August 9th 2013 and Dean Runyan Associates

Additional market information considered are Washington State Ferry System traffic counts pertaining to Whidbey Island. The Ferry/Commuter number of over 4.5 million includes persons commuting to work and domestic travel off and on-island as travel requirements demand. Among transit commuters are the nearly 1.0 million tourists visiting the Island, its communities, scenic and recreational resources.

Table 6
Ferry Commuter & Transit Population

| | |
|--|------------------|
| Mukilteo-Clinton Ferry (Annual) | 3,834,967 |
| <u>Port Townsend-Keystone Ferry (Annual)</u> | <u>683,944</u> |
| Total: | 4,518,911 |

Source: Washington State Ferries Traffic Statistics Rider Segment Report December 31, 2013

Note: The passenger numbers equal to approximately 2.3 million vehicles

Regarding maritime markets, recent studies and statistical reports prepared by the Washington State Department of Licensing, Department of Ecology and United States Coast Guard provide data regarding sail and power boat ownership in Puget Sound. A definitive study was prepared by Herrera Environmental Consultants, Inc. for the Department of Ecology in April of 2012.

The Puget Sound area, including counties that geographically embrace the primary resident market area, has about 145,000 power or sail vessels of various size and classifications. The following tables indicate distribution by county and size.

Table 7
Vessel Ownership by County

| <u>County</u> | <u>Number</u> |
|---------------|----------------|
| Clallam | 3,814 |
| Island | 5,613 |
| Jefferson | 2,535 |
| King | 47,524 |
| Kitsap | 10,739 |
| Mason | 4,391 |
| Pierce | 25,101 |
| San Juan | 2,829 |
| Skagit | 8,739 |
| Snohomish | 24,483 |
| Thurston | 9,056 |
| Total | 144,824 |

Source: Washington State Department of Ecology, April 2013

Table 8
Vessel Ownership by Size

| <u>Size</u> | <u>Number</u> |
|--------------|----------------|
| Under 16' | 48,122 |
| 16'-20' | 55,953 |
| 21'-40' | 36,763 |
| Over 40' | 3,986 |
| Total | 144,824 |

Source: United States Coast Guard and Herrera Inc., 2013

When the recreational boating population is compared with mooring and anchorage accommodations within the Puget Sound Archipelago, it is readily apparent that boaters, in general, have limited access to shore facilities, shops and dining as well as events, particularly at seaside communities such as Langley on Whidbey Island.

One challenge is economic constraints and environmental concerns over development, operation and maintenance of marinas with sufficient visitor berths to address boater demand. Thus impediments to development of traditional marinas exist throughout the Sound. Nor could there be sufficient berthing capacities developed to accommodate latent demand for “going-ashore” experiences and commerce. Thus a mooring system designed to secure recreational vessels along the Langley waterfront would need to be in place before market values of boater populations could be considered or reasonably applied. However, excursion vessels from Seattle and other areas may become an asset to the Island Event Center.

■ Market Penetration

Market penetration projections, as a percent of total population, vary by distance, time of year and type of event or use activity. These variants will influence market values in terms of annual patronage and related revenues. The following suggests probable penetration of markets and the resulting potential for annual patronage. The potential market is measured against primary, secondary and visitor populations with a combined market population of about 11.7 million people.

Table 9
Primary Market Population Penetration Projection
 (Resident Population is 4,025,475 rounded to 4.0 million)

| Event Classification | Penetration % | Market Projection |
|-------------------------------|----------------------|--------------------------|
| Festivals | .009% | 36,000 |
| Special Events | .012% | 48,000 |
| Fairs & Expositions | .008% | 32,000 |
| Trade Shows | .007% | 28,000 |
| Conferences & Symposiums | .005% | 20,000 |
| Demonstrations & Competitions | .003% | 12,000 |
| Total: | | 176,000 |

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Table 10
Secondary Market Population Penetration Projection
 (Net Population is 6,738,618 rounded to 6.7 million)

| Event Classification | Penetration % | Market Projection |
|-------------------------------|----------------------|--------------------------|
| Festivals | .002% | 13,400 |
| Special Events | .003% | 20,100 |
| Fairs & Expositions | .001% | 6,700 |
| Trade Shows | .0008% | 5,360 |
| Conferences & Symposiums | .0005% | 3,350 |
| Demonstrations & Competitions | .0007% | 4,690 |
| Total: | | 53,600 |

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Table 11
Tourist Market Population Growth Projection
 (Population is 980,000)

| Event Classification | Growth % | Market Population |
|-------------------------------|-----------------|--------------------------|
| Festivals | .004% | 3,920 |
| Special Events | .005% | 4,900 |
| Fairs & Expositions | .001% | 980 |
| Trade Shows | .002% | 1,960 |
| Conferences & Symposiums | .005% | 4,900 |
| Demonstrations & Competitions | .003% | 2,940 |
| Total: | | 19,600 |

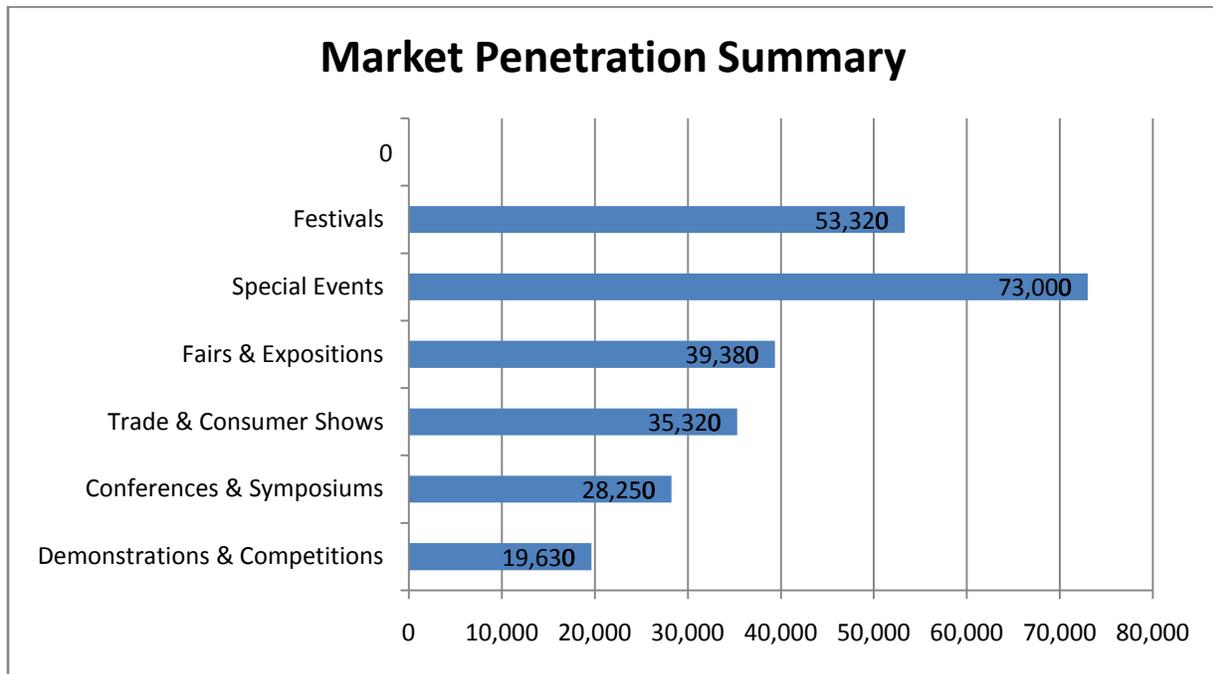
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Table 12
Combined Market Population Penetration Summary
 (Projected Combined Market Population of 11.7 Million)

| Event Classification | Market Penetration |
|-------------------------------|---------------------------|
| Festivals | 53,320 |
| Special Events | 73,000 |
| Fairs & Expositions | 39,680 |
| Trade & Consumer Shows | 35,320 |
| Conferences & Symposiums | 28,250 |
| Demonstrations & Competitions | 19,630 |
| Total: | 249,200 |

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Chart "A"



Source: Landerman-Moore Associates

Note: Market Penetration for Fairs & Expositions does not include the annual Whidbey Island Area Fair.

The regional market for specialized events and festival production, symposiums and leisure activities is emerging, steady and reasonably profitable. However, the targeted business development objectives are focused on the localized assets, talents and resources of the people of Whidbey and Camano Islands, family farms, small business products, crafts, arts, intellectual capacities and creative qualities. The talents, products, energy and stewardship of Islanders throughout the San Juan's represent a rich environment to extol and promote health, nutrition, arts and crafts, recreation, the respite of leisure activities, and consumerism of "fabulous stuff". The PDA will need to build relationships with community organizations, associations and agencies that represent small farm agriculture to facilitate event development and expansion of ag-related product development, marketing and sales.

■ Organization

After evaluating legislative codes and legal opinions regarding public corporations, non-profit organizations, and NGO's, a determination was made by the Steering Committee to recommend a Public Development Authority be the new operating entity for the Island County Fairgrounds.

Under RCW 35.21.730, cities, towns, and counties may establish "public corporations, commissions or authorities." These special purpose quasi-municipal corporations have become known as "PDAs." The statutory purpose for the creation of a public corporation under these statutes is to improve the administration of authorized federal grants or programs, to improve governmental efficiency and services, or to improve the general living conditions in the urban areas of the state. The provision was initially enacted to authorize cities, towns and counties to participate in and implement federally assisted programs, including revenue sharing.

The name place holder for the PDA is *"Island Event Center Development Authority"*. This public corporation would be formed by Island County ordinance or resolution and a charter with a set of by-laws established. The charter will include the name, purpose, and term of the PDA, and characteristics of the Board of Directors and administrative staff. The charter may also include oversight language that limits liabilities of the County. The mission statement for the Island Event Center Development Authority is:

"To promote and showcase the human, natural and material assets, resources and products of Island communities in an events and symposium environment designed to facilitate and extol economic opportunity, stimulate business, create jobs and provide leisure experiences and public services."

Because PDA's are separate legal entities, all liabilities incurred by the PDA must be satisfied exclusively from assets accrued by the PDA, except as may otherwise be agreed by contractual means, including a lease. PDA creditors do not have a right of action against or recourse to the County, or its assets on account of the PDA's debts, obligations, liabilities or acts or omissions.

The following describes the organizational structure proposed for the Island Event Center Development Authority (IECDA) with suggested salary ranges.

Table 13
IECDA Staffing & Wages
(Full staffing to be completed after stabilization)

| <u>Position Classification</u> | <u>Salary/Wage Range</u> |
|--|---------------------------|
| Executive Director | \$97,000 - \$115,000 |
| Marketing - Sales Manager | \$58,000 - \$69,000 |
| Facilities Operations & Maintenance Manager | \$57,000 - \$67,000 |
| Administrative Assistant | \$37,000 - \$44,000 |
| Clerical/Secretarial | \$28,000 - \$33,000 |
| Buildings & Grounds Maintenance Lead | \$41,000 - \$48,000 |
| O & M Laborers (7 part-time for 11,028 hrs.) | \$14.00/hr. - \$17.00/hr. |
| Clerical (1 part-time for 1,505 hrs.) | \$13.00/hr. - \$17.00/hr. |

Sources: US Bureau of Labor Statistics
Washington Human Resources
Island County Economic Development Council: Employment, Business and Wages 2012
www.wa.gov/CompClass/JobClassesSalaries
www.bls.gov/bls/blswage.htm

Full-time employees and related salaries, sometime within the first operating year or within the initial five to six year period, are projected to be \$452,000. Staff benefits and insurance are projected at between 20% and 28%. With the addition of part-time employees and additional full-time staff, during stabilization, total annual payroll is projected at \$621,810. Staffing and associated costs will rise as conditions allow.

Island Event Center Foundation:

In addition, and as a key element in assisting start-up requirements and serving as an on-going philanthropy arm for promotion and financing the Island Event Center Development Authority, a Foundation is to be formed and titled the "Island Event Center Foundation" (IECF). It would be created as a charitable 501(c) (3) Corporation.

Regular membership and participation in the IECF is to be open and available to the general public. Regular association memberships shall be created for the purpose of establishing broad based social and financial support group with interests in the Island Event Center, the social, cultural, historical and economic assets and well-being of the

Island. Charitable functions are to be facilitated on a continuing basis that benefit youth, provide social enhancing services, education scholarships and extol historical and cultural values as well as promote tourism and business/economic activity.

Regular membership status shall be established on the basis of a nominal annual subscription fee of \$50 and increments up to \$500 which provides access, newsletters, publications and other information and privileges related to special programs, events and activities organized by the IECF and conducted at the Island Event Center.

Regular members shall be invited, periodically, to make contributions to the IECF for special projects, scholarships and awards programs specifically linked to the work and programs undertaken by the Foundation. Regular members may be selected to participate in the activities of a particular event or as IECF volunteers providing in-kind services and support for the programs, operations and maintenance or custodial demands of the Island Event Center.

“The IECF 500 Club”

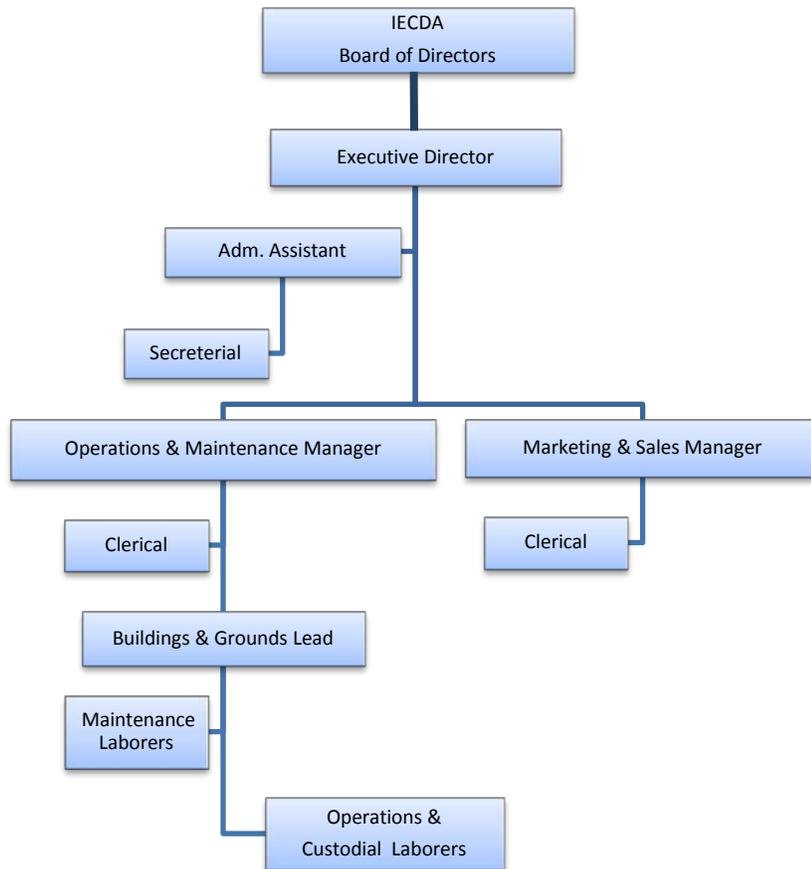
The “Island Event Center Foundation” or “IECF” shall be empowered, through its by-laws and articles of incorporation, to create what may be called the “500 Club”. This membership status will be structured to serve as the principal funding mechanism for marketing, program development, capital improvements, social or cultural services, public relations, scholarships and as an IECDA operations support group.

Membership in the IECF “500 Club” shall be available to individuals, corporations and public institutions on the basis of a minimum \$1,000 annual membership fee. The membership fee shall be tax-deductible and used to support programs, projects, events and operations that emerge through the efforts of the IECDA Board of Directors, and the IECF general membership.

A standing committee constituted with two (2) members of the IECDA Board of Directors and five (5) members of the IECF “500 Club” shall be organized for the purpose of approval and review of all fund raising programs, activities and related expenditures of funds generated through membership fees or fund raising activities and make its annual recommendations for distribution of funds to the Island Event Center Development Authority Board of Directors. Strategically, formation of the Foundation and 500 Club is vital to the immediate and long-term prosperity of the IECDA and the markets and populations it will benefit.

Initially, the IECDA will consist of a Board of Directors, Executive Director, Marketing-Sales Manager, Operations-Maintenance Manager, an Administrative Assistant, one full time clerical staff and one part-time clerical assistant. Operations and maintenance services include one full-time maintenance lead person and five to seven part-time maintenance, operations and custodial laborers. It is essential that persons serving with the IECDA hold a high degree of experience and qualifications directly linked to performance of their respective duties. The IECDA organization chart is structured to provide lines of responsibility and reporting as shown below.

Chart "B"
IECDA Functional Organization



Key efforts in facilitating the IECDA mission include creating robust traditional and social media marketing programs designed to attract individuals of all age groups, private companies and public agencies to a unique rural environment to produce quality events linked to general audiences, consumers and selected participants. While the IECDA exists primarily to manage the property, in a “landlord” capacity, it also is obligated to facilitate production and participate in co-production opportunities and/or assume a producer role in staging certain events that respond to market/enterprise opportunities.

Adherence to the mission creates and expands opportunities, provides flexibility and solidifies business practices and capacities linked to economic performance and self-capitalization. An ultimate responsibility the IECDA will have is to maintain financial equilibrium between revenue producing “Enterprise” events and non-revenue “Public Service” events in a manner that ensures financial solvency. The IECDA will also have responsibility for securing financing to implement a sequenced capital improvement program (CIP). The CIP is organized on a sequential basis tied to production criteria and is to be implemented over a 10 year period. (See Development Sequence section)

Use & Events

The presentation of events and activities in a park-like setting, on an island and in a “Village by the Sea” is to be operated in ways that meet every measure of customer demand and expectations for quality experience in relation to dollars expended. That...is the key to customer return and market/event and economic growth.

The core business and production objective is festivals, special events, symposiums and exhibitions focused on Small Farm products, Cottage Foods, and sustainable agricultural products. The manifest theme of activity is “Farm to Fork” festivals mixed with music, entertainment, culinary competitions, community meals, and repurposed, refreshed and handmade treasures, arts, crafts, clothing and utensils, created by the people of Islands and Pacific Northwest. Other events include web-connected shows, cyber-festivals, holiday shows and sales, trade and consumer shows, expositions, meetings and public service programs, as well as recreation or leisure activities.

Historically, social dynamics of economic shifts (depressions and recessions) clearly indicate that consumers rapidly trim high value purchases but do not significantly

reduce spending for food, cultural events and leisure activities. There is wide-spread recognition that investing in quality human experiences revives positive outlooks. Such experiences remain a reasonable value of limited discretionary dollars.

The IECDA's operational, objective, then, is to creatively participate in leisure based consumerism; promote education, business and economic development through events, and manage a quality venue that serves the need for sustainable economic growth while creating a positive cash flow and retained earnings capacity that supports operations and capital needs.

Land use, facilities size and disposition and all capital improvements identified in this Strategic Plan and the Facilities Improvement Plan shall be guiding principles for redevelopment of the Fairgrounds property and construction of new facilities. In that regard, the IECDA must ensure that the facilities development program shall maintain sensitivity of production criteria of the annual Whidbey Island Area Fair.

The following suggests events and use activities to consider as the IECDA implements the business plan and engages in production. Events are distinguished by Enterprise or Public functions and by event categories. The business strategy, while focused on music, food and drink, supported by small farm, farm to fork industries and culinary as well as arts and crafts, suggests other event development efforts as well.

Table 14
Enterprise Events & Activities

Festivals

| | |
|-------------------------------------|------------------------------------|
| Apple Squeeze Festival | Crafters Beer Festival |
| Bikefest | Cranberry Harvest Festival |
| Blossom Festival | Fiery Foods Fest |
| Blueberry Festival | Garlic, Onion and Herbs Festival |
| Blues & Brews Festival | Greenbank Farm Loganberry Festival |
| Brats, Brews & Blues festival | International Beer Festival |
| Cheese & Wine Festival | Mussel fest |
| Chefs, Mixologists, & Nutritionists | Rodeo Dance Festival |
| Hungerfest | Salmon & Alder Wood Festival |
| Chowders Unlimited Festival | Sausagefest |
| Clam Festival | Seafood Festival |
| Coffee & Tea Festival | Shrimpfest |

SpamFest
Squash, Melons & Pumpkins Festival
Strawberry Festival
Summer Festival
Sweet Onion Festival
Veganfest

Vegifest
Wild Mushroom Festival
Wine & Chocolate Festival
Wine and Cheese Festival
Wings & Wine Festival
Zombiefest

Special Events

Ag-Day
About Boats & Water
Beer, Bites & Arts
Cheese Days
Chowder Cook-Off
Country Christmas
Crab Race & Feed
Dinner & Auction for Homeless
Dutch Oven Cook-Off
Earth Day Foods
Eat Local Week
Fish Taco Cook-Off
Historical Foods Celebration
Holiday Bazaar

Indoor/Outdoor Swap Meet
Jazz, Gardens & Flowers
Just Between Friends Sale and Auction
Oktoberfest Northwest
Organics Week
Potatoes & All Things Irish
Pumpkins Carvers Extravaganza
Quilts, Crafts & Sewing
Schools Breakfast Week
The Great Grape Stomp & Dance
Upscale Yard Sale
Victorian Christmas
Wild about Game
Zin & Barbecue

Fairs, Expositions, Trade & Consumer Shows

Antiques & Collectables Show
Antiques Show
Arts, Crafts & Refreshed Treasures
Show
Cats & Canines Show
Celebrity Chef Expo
Classic Cars & Swap Meet Expo
Cottage Foods Exposition
Country Cook-Off & Car Show
Dolls & Teddy Bears Show
Family Fitness Expo
Food Equipment Manufactures Expo

Guns & Knives Expo
Herbal Foods Expo
Horse Shows
House & Garden Expo
Off-Road Vehicle Expo
Old House Remodeling Show
Rabbit Breeders Show
Recumbent Cycling Trade Show
School Breakfast & Lunch Expo
Sizzling Hot Rods Show
Sportsman Show
Spring Fair

Stink Pot & Rags Used Boat Show
Small Farm Ag-Expo
Summer Camping & RV Show
Sustainable Preparedness Expo
Taste of the Holidays
Tec Games Demo & Exposition
Tomato & Spice Fair
Twilight Cruise Auto Show

Western Arms Collectors Show
Wildlife Arts Show
Winter Blues R.V. Show & Barbecue
Winter Dog Show
Winter Wonderland & Lights Show
Winter Toys Show & Swap Meet

Conferences & Symposiums

Bakery and Confections Conference
Discover Sustainability Symposium
Food Bloggers Conference
Grains Science & Growers Symposium
Healthy Eating Symposium
Home Canning Symposium
Kneading & Breads Conference
Knots, Braids and Rope Making

Natures Food Products Symposium
Nutrition Education Conference
Organic Fruits Symposium
Organic Vegetables Symposium
Roaster Guild Symposium
Schools Foods Nutrition Conference
Vocational Trades Symposium
Washington Potato Conference

Competitions & Demonstrations

Battle of the Bones Competition
Big Ideas Competition
Clean Technology Business Competition
Eco-Build Competition
Graffiti Run Competition
Holiday Half-Marathon Competition

Home Brews Competition
Lumberjack Competition
Northwest Barista Competition
Northwest & Beyond Tea Competition
Pets on Parade Competition
Robotics Industry Competition

There are numerous types, categories and scale or size of events that may be considered for production. Most, if not all, are organized and produced by others. The IECDA must, however, engage in aggressive marketing and seek opportunities to co-produce or produce certain enterprise events in its effort to strengthen revenues and retained earnings.

Building on a core theme of *“Music, Food & Drink”* variations and classification of events and use activities may expand exponentially. Due to limited production and support space, it will be important to scale events and uses to fill the site, and calendar with multiple events, while maintaining quality experiences for the patron and effective business results for producer, vendors and exhibitors.

The following are suggested non-revenue oriented use activities that are typically produced in the Pacific Northwest and in the western Washington region. The type and character of the events listed provide a sense of character and quality and production objectives the IECDA may pursue. In doing so, the IECDA will need to maintain an economic balance in the level of enterprise as compared with public event booking and scheduling.

Table 15
Public Non-Revenue Events & Activities

Festivals

Brats, Brews & Blues Festival
Community Assistance

Veganfest
for the needy

Chefs, Mixologists, & Nutritionists
Hungerfest *for the Indigent*

Wine & Chocolate Festival
Local Fundraiser

Rodeo & Dance Festival
for the needy

Zombiefest
for Orphaned Children

SpamFest
for Schools and education

Special Events

Ag-Day

Public Awareness

Chowder Cook-Off

Fundraiser

Dinner & Auction

for the homeless

Earth Day

Public Education and School Tours

Eat Local Week

family awareness

Historical Foods Celebration

Public Education and Awareness

Just Between Friends Sale and Auction

Public Fundraiser

Organic Week

Public Awareness

Quilts, Crafts & Sewing

Public Awareness

Schools Breakfast Week

Public Education

Tribal Food Fest

Fairs, Expositions, Trade & Consumer Shows

Arts, Crafts & Refreshed Treasures Show

Local Fundraiser

Cats & Canines Show

Public Education for Humane Treatment of domestic animals

Cottage Foods Exposition

Public Education

Family Fitness Expo

Public Education

Herbal Foods Expo

Public Education

Horse Shows

Public Recreation

Old House Remodeling Show

Public Education

Rabbit Breeders Show

Public Education

School Breakfast & Lunch Expo

Public Education

Small Farm Ag-Expo

Public Awareness

Sustainable Preparedness Expo

Public Awareness

Winter Dog Show

Local Fund Raiser

Winter Toys Show & Swap Meet

Public Services support fund raiser

Conferences, Symposiums & Competitions

Cottage Foods Symposium
Public Awareness

Natures Food Products Symposium
Public Awareness

Discover Sustainability Symposium
Public Awareness

Nutrition Education Conference
Public Education

Grains Science & Growers Symposium
Public Education

Organic Fruits Symposium
Public Awareness

Healthy Eating Symposium
Public Education

Organic Vegetables Symposium
Public Awareness

Holiday Half-Marathon Competition
Local Fundraiser

School Foods Nutrition Conference
Public Awareness

Home Canning Symposium
Public Awareness

Vocational Trades Symposium
Public Awareness

In some instances, enterprise and public events listed may appear similar. This is due to the fact that a particular event of the same theme may be revenue generating or non-revenue generating. The determination rests primarily in differences as to who the producer is and what statutory classification they hold, as, for example, the distinction of for-profit or non-profit entities.

Use fees will need to be established for all events. However, fees charged for “Public Purposes” require a different scale of cost to the user or producer, typically a zero dollar-based cost recovery scale, than “profit” events where gate fees, parking fees, concession contracts and other revenue sources are applied.

Thus the operating IECDA will need to establish policies determining fees associated with an event use agreement and the financial conditions involved. In this manner, the economic performance formula of *revenues earned + public services rendered* will be protected and maintained. It will be a matter of financial “balance”, in terms of scheduling that maintains positive cash flow sufficient to meet financial obligations and ensure sustainable productivity.

The annual Whidbey Island Area Fair should be considered a not-for-profit or public service event. The Island County Fair Association may pay an annual user fee or enter into a lease agreement adjusted in value by a ramped scale over time thus providing capacity for its growth and retained earnings capabilities.

For reference only, the following table provides a general overview of population participation in various leisure activities and events including festivals, fairs and special events. Participation is based on the primary resident market of about 4.0 million.

Table 16
Selected Leisure Activity & Event Participation
 Based on Primary Market Population - 4,025,475

| Activity & Event | Percent Population | Participants |
|---------------------------------|---------------------------|---------------------|
| Art Shows, Museums & Galleries | 22.7% | 913,783 |
| Auto Shows | 8.8% | 342,165 |
| Classical Music | 9.3% | 374,369 |
| Community Activities | 27.8% | 1,119,082 |
| Cook-Outs & Barbeques | 25.3% | 1,018,445 |
| Country Music | 6.9% | 277,758 |
| Crafts, Arts & Woodworking | 24.5% | 986,241 |
| Dances | 9.2% | 370,344 |
| Exercise | 52.9% | 2,129,476 |
| Festivals (all types) | 33.8% | 1,360,611 |
| Film & Movies | 53.3% | 2,145,578 |
| Gardening | 41.6% | 1,674,598 |
| Jazz Music | 7.8% | 313,987 |
| Live Theater/non- musical plays | 9.4% | 378,395 |
| Musical Plays | 16.7% | 672,254 |
| Out Door Activities-general | 28.2% | 1,135,184 |
| Parks & Historic Sites | 24.9% | 1,002,343 |
| Pop Music | 12.8% | 515,261 |
| Rock Music | 11.6% | 466,955 |
| Sports Events | 30.6% | 1,231,795 |
| Volunteer/Charity Services | 32.0% | 1,288,152 |

Source: U.S. Census Bureau Statistical Abstract: 2012.
 Attendance/Participation Rates for Various Leisure Activities in Western Washington
 Landerman-Moore Associates

Table 17
Facility Use Projection
 Annual Percent Occupancy - Use Days

| <u>Neighborhood/Facility</u> | <u>sf.</u> | <u>%</u> | <u>Use Days</u> |
|------------------------------|----------------|----------|-----------------|
| Expo Center | 40,000 | 40% | 146 |
| Market Place | 28,700 | 38% | 139 |
| Equine/Multi-Purpose Arena | 50,600 | 15% | 55 |
| Park Place | 50,800 | 28% | 102 |
| Outdoor Events | 12,800 | 18% | 66 |
| Totals | 182,900 | | 508 |

Source: Landerman-Moore associates

Note: Percentages are based on a 365 day calendar. Use Days mean one full day of operation for any event. The calendar and facilities accommodate more than one event at any given time. The use day projection indicates a ratio of 1.4 events on an annualized basis.

Chart "C"

**Facilities Use Projection
 by
 Number of Use Days**

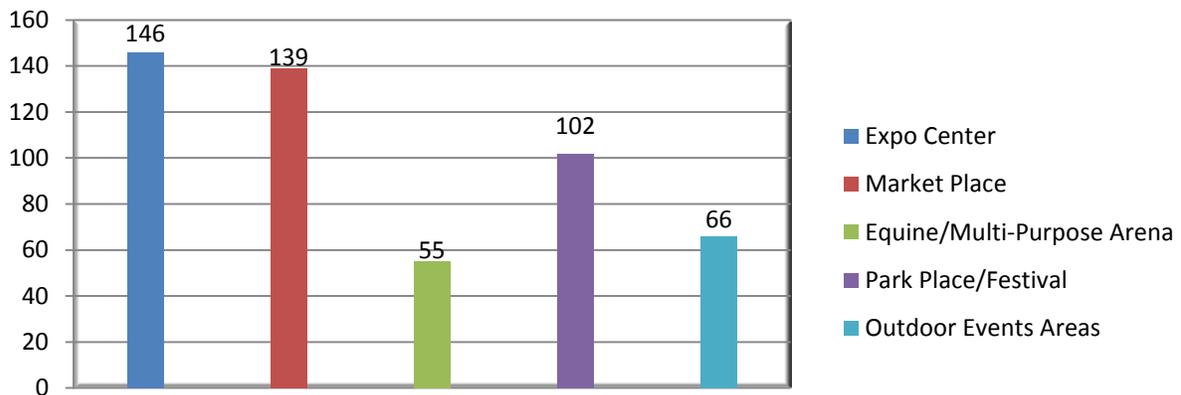


Table 18
Use Days Distribution by Season

| | | |
|----------|-----|--------------|
| • Winter | 9% | 43 Use Days |
| • Spring | 20% | 97 Use Days |
| • Summer | 53% | 255 Use Days |
| • Fall | 18% | 87 Use Days |

Chart "D"

Facilities Use by Season

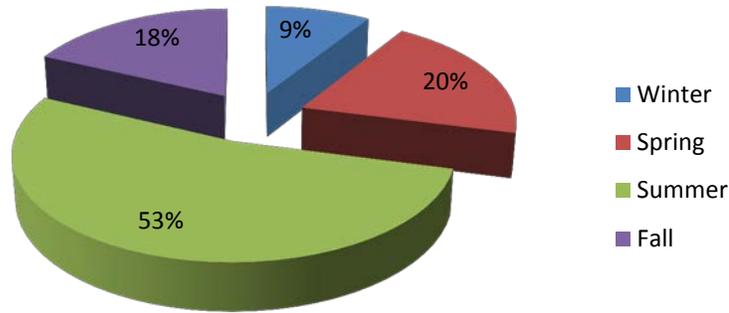


Table 19
Combined Market Population Penetration Summary
Annual Patronage Projection

(Projected Combined Market Population of 11.7 Million)

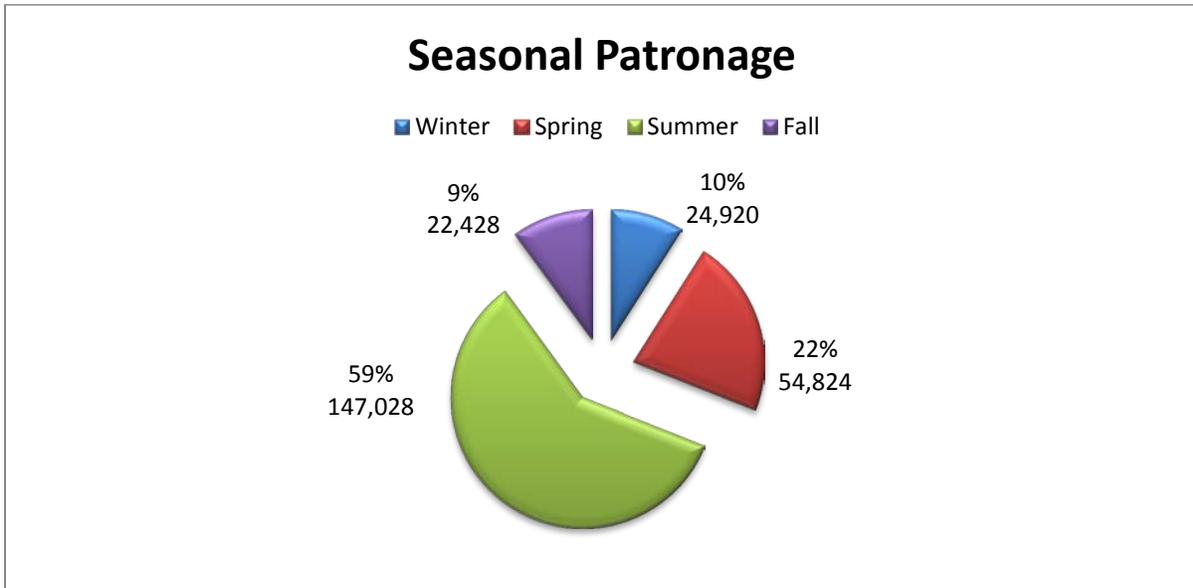
| Event Classification | Percent | Patronage |
|-------------------------------|----------------|------------------|
| Festivals | .005 | 53,320 |
| Special Events | .006 | 73,000 |
| Fairs & Expositions | .003 | 39,680 |
| Trade Shows | .003 | 35,320 |
| Conferences & Symposiums | .002 | 28,250 |
| Demonstrations & Competitions | .002 | 19,630 |
| Total: | | 249,200 |

Table 20
Vehicles by Event Classification

| <u>Event Classification</u> | <u>Patrons</u> | <u>Occupancy</u> | <u>Vehicles</u> |
|-----------------------------|----------------|------------------|-----------------|
| Festival | 53,320 | 3.2 | 16,663 |
| Special Event | 73,000 | 2.8 | 26,071 |
| Fairs & Expo | 39,680 | 2.8 | 14,171 |
| Trade Show | 35,320 | 1.9 | 18,589 |
| Conference & Symposium | 28,250 | 1.3 | 17,885 |
| Demonstration & Competition | 19,630 | 1.5 | 13,087 |
| Totals: | 249,200 | | 106,466 |

Source: Landerman-Moore Associates

Chart "E"



Landerman-Moore Associates

Note: Seasonal patronage is projected at build-out of improvements and stabilization.

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Land Use & Facilities

Over the years, the site has established a pattern of use dominated by production of the annual fair. To facilitate new and expanded event production, site use and facility improvements are arranged by “neighborhoods” which form a basis for articulating development sequences. Renovation and new development projects respect historic production needs while consolidating use and clustering structures in the four fundamental neighborhoods. Each neighborhood is given a name to associate use with identity. Beginning from the north boundary of the site, the neighborhoods are:

- Exposition Place
- Festival Park/Carnival
- Market Place/ Parking/RV Parking & Operations, Maintenance & Storage
- Equine/Multi-Purpose Pavilion

Site topography also influences neighborhood definition due to three distinct levels on a northeast sloping terrain. The lowest level clusters Entertainment, Heritage Park and Exposition Place with commercial vendors and concessions. The second level contains Festival Park/Carnival with the Coffman 4-H building, the Fiddle Faddle Barn and Commercial Exhibits Pavilion. The third level combines Market Place, Equine/Multi-Purpose Pavilion and Open Air Events areas. The highest point of the property accommodates patron parking and RV parking during the annual fair and Operations, Maintenance and Storage facilities.

A service road on the west boundary separates, to the extent possible, service vehicles from patron circulation. There are three gates or entry points for patronage attending events. The North Gate, the South Gate and Administrative Gate which lead patrons into and through the site on a double north/south axis providing complete circulation and as few “dead” areas as possible.

A key element in determining neighborhoods, facilities and their functional capacities is to reduce the number of buildings. The design principle is to change the type of architecture and structural design from traditional enclosed buildings to a series of shelter type structures that serve event production requirements while significantly reducing capital, maintenance and operating costs. As a result, the existing 27 buildings have been reduced to 12 structures with a net gain of event production space.

■ Facilities Disposition

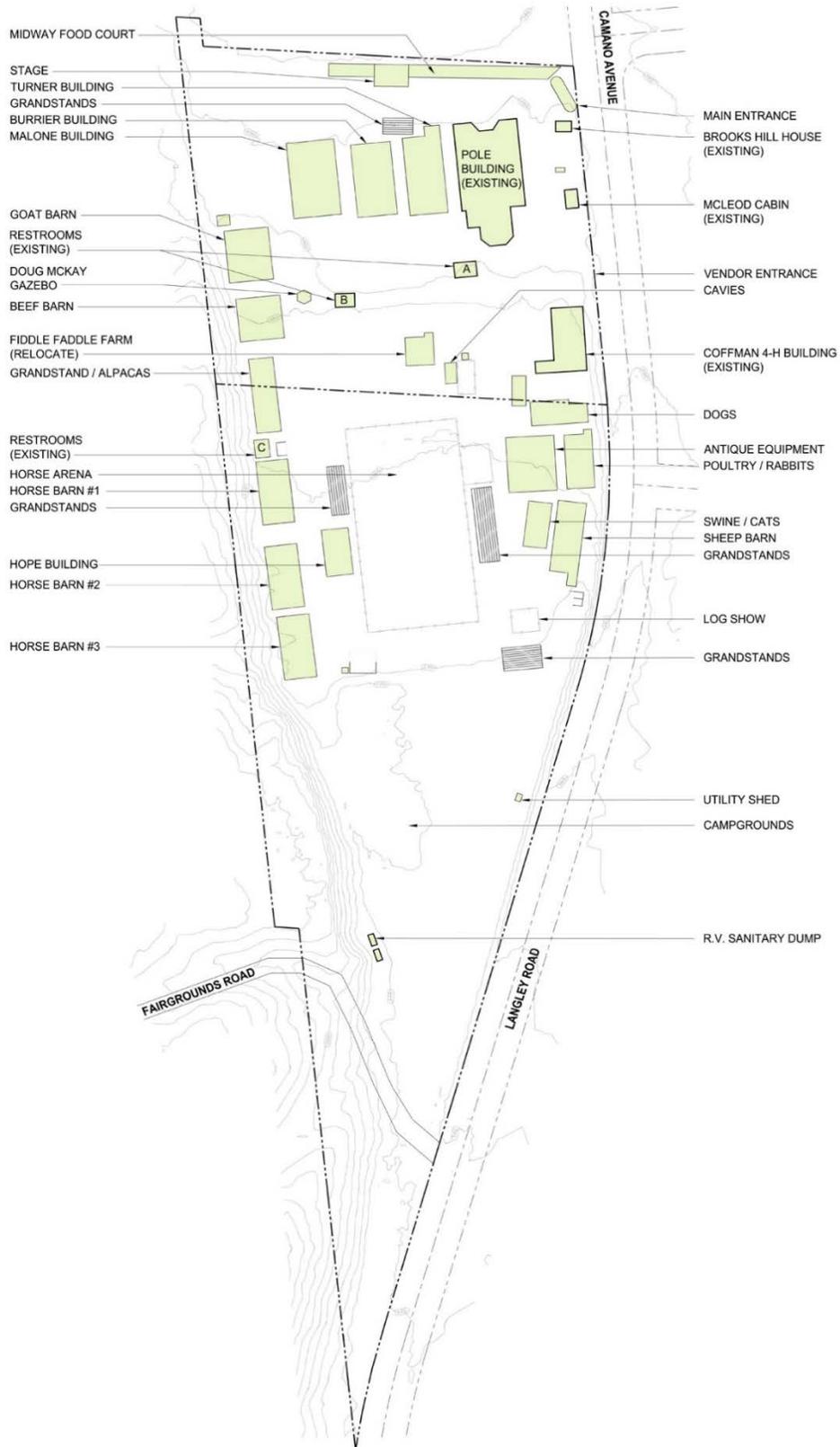
Facilities listed in the table below are identified for demolition and removal from the site, or to be relocated and renovated. Some structures, such as grandstands, are to be relocated and re-configured to fit the space allocated and serve patronage requirements for their intended use.

It is also necessary to remove any underground obstructions such as abandoned pipelines and infrastructure that may impede new construction. Overall there are 12 structures to be demolished. They are to be replaced with new facilities serving multi-purpose functions described in the Use & Events section of the strategic plan. The functional results of the disposition of existing facilities is a net gain of nearly 28,000 square feet of facility production space and increased space for circulation, landscaping and utility functions.

Table 21
Disposition of Existing Facilities

(Existing facilities to be relocated, renovated, or demolished)

| Existing Facility/Building | Square Feet |
|---|--------------------|
| Pole Building (renovated and upgraded) | 12,000 sf. |
| Fiddle Faddle Barn (relocated and renovated) | 1,080 sf. |
| Stage (relocated, expanded and renovated) | 760 sf. |
| East Side Arena Bleachers (relocated and renovated) | 3,000 sf. |
| Burrier Building (demolished) | 4,800 sf. |
| Turner Building (demolished) | 5,000 sf. |
| Malone Building (demolished) | 6,720 sf. |
| Goat Barn (demolished) | 6,720 sf. |
| Beef and Dairy Barn (demolished) | 3,190 sf. |
| Dogs Pavilion/Shelter (demolished) | 2,100 sf. |
| Poultry/Rabbits Building (demolished) | 2,345 sf. |
| Antique Equipment Building (demolished) | 4,320 sf. |
| Swine/Cats Building (demolished) | 1,800 sf. |
| Sheep Barn (demolished) | 3,456 sf. |
| Horse Barns 1, 2 & 3 (demolished) | 10,800 sf. |
| Horse Barn Restroom "C" (demolished) | 450 sf. |
| Total | 68,541 sf. |



Plan 2 - Existing Facilities Map

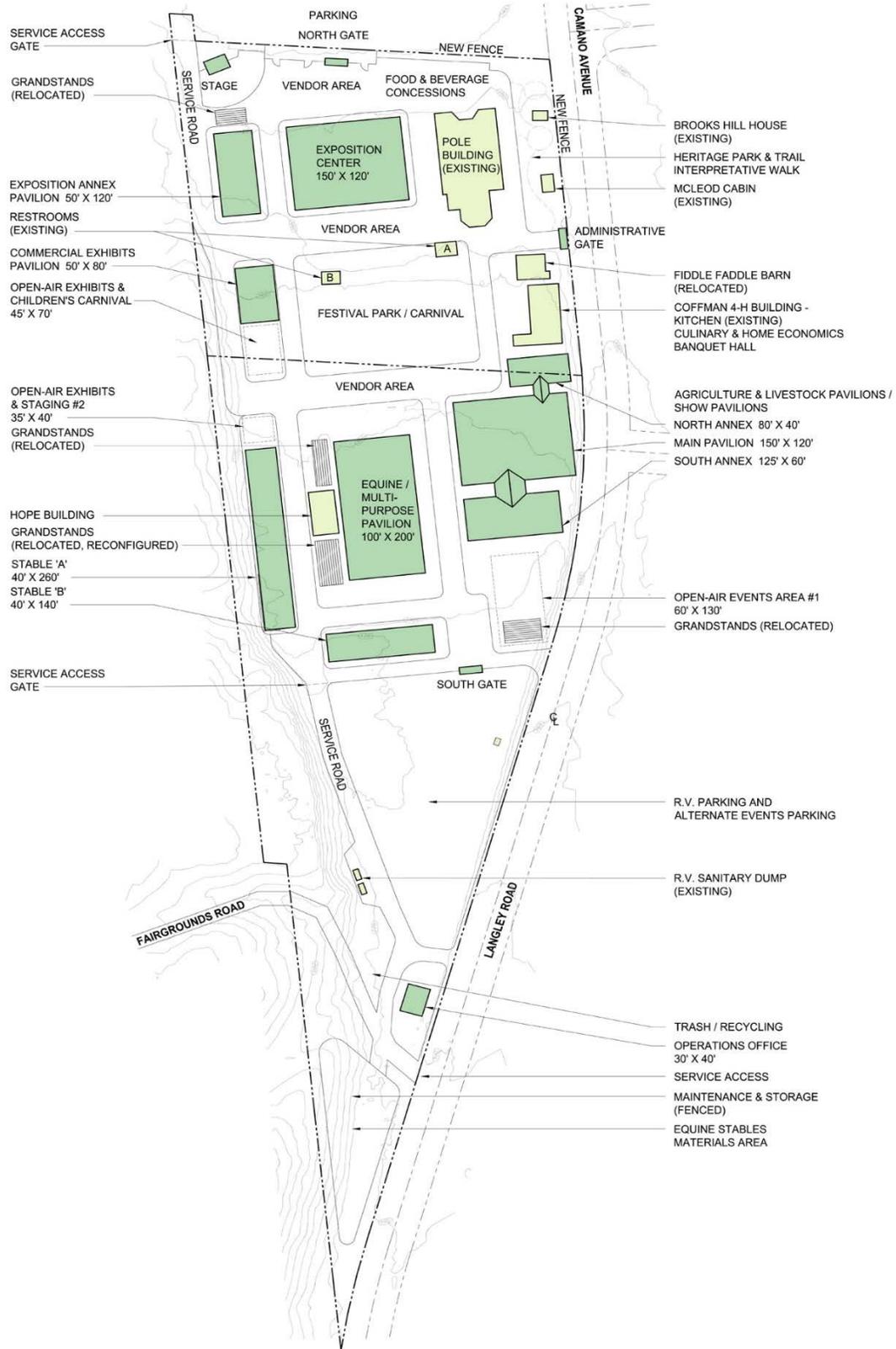
■ Facilities Improvements

Improvements are determined by production requirements. Site improvements address patron and utility needs, circulation and services. A guiding principle is size and character of structures required to facilitate production while minimizing operations, maintenance and capital costs. The following table identifies facilities that create a functional environment for event production and space required for patron needs.

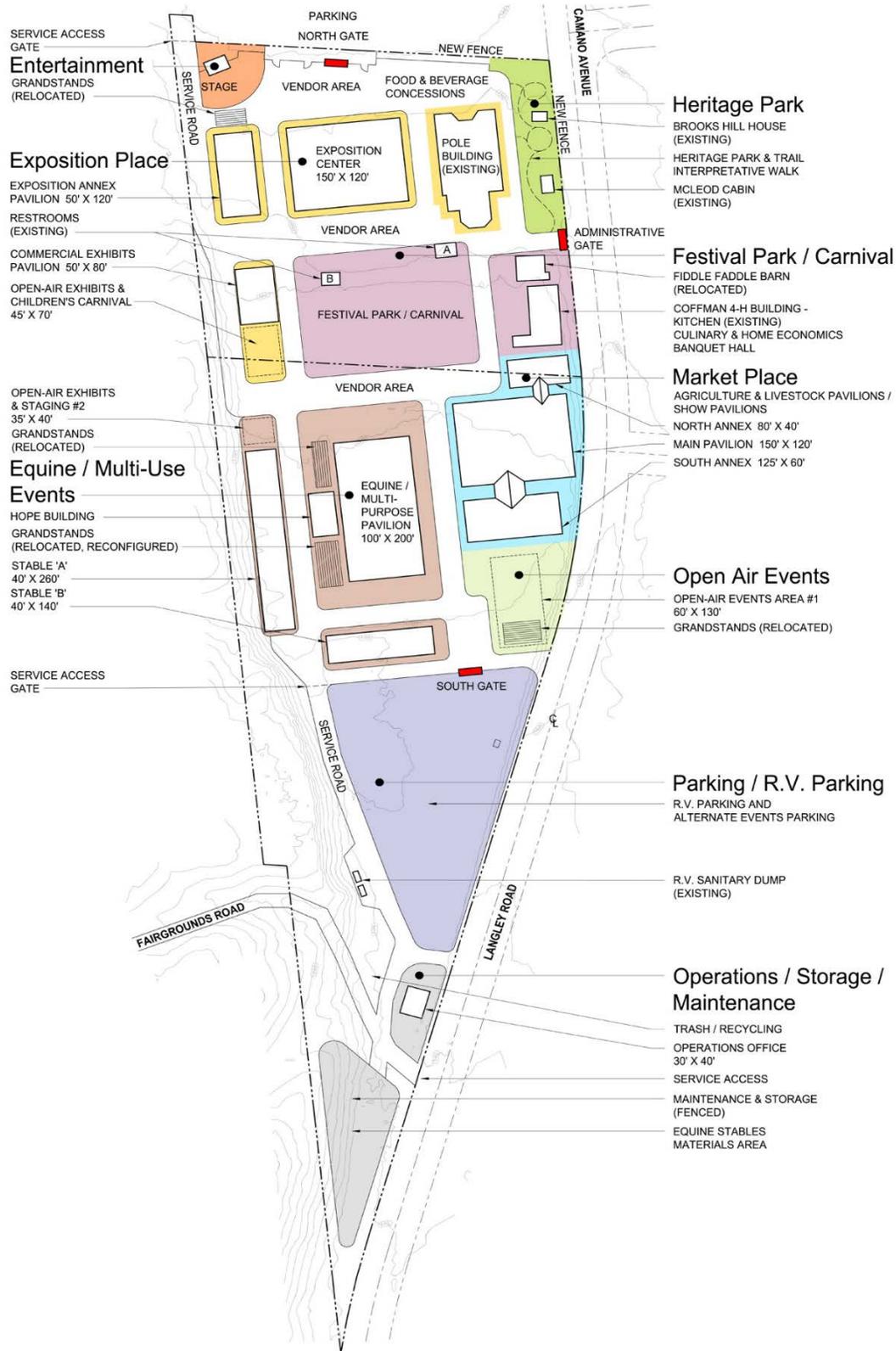
Table 22
Facilities Improvements

| <u>Site Feature/Facility</u> | <u>Square Feet</u> |
|---|--------------------|
| South Gate | 300 sf. |
| Market Place Pavilion | 28,700 sf. |
| Open Air Events Area 1 | 7,800 sf. |
| Operations & Maintenance Office/Storage | 1,200 sf. |
| Retaining Wall | 850 lf. |
| South Fencing | 400 lf. |
| South Service Access Gate | 20 lf. |
| Materials Storage | 3,700 sf. |
| RV/Parking Area/Pump House | 80,748 sf. |
| Exposition Center | 18,000 sf. |
| Exposition Annex | 6,000 sf. |
| Entertainment Stage | 1,200 sf. |
| North Gate | 300 sf. |
| North Fencing | 535 lf. |
| Service Access Gate | 20 lf. |
| Utilities | (site area) |
| Site Lighting | (site area) |
| Paved Roadways | 50,850 sf. |
| Graveled Roadways | 58,500 sf. |
| Commercial Pavilion | 4,000 sf. |
| Festival Park/Carnival | 40,250 sf. |
| Tower Feature | 100 sf. |
| Open Air Exhibits/Carnival | 5,950 sf. |
| Camano Avenue Frontage Fencing | 875 lf. |
| Arena Pavilion | 20,000 sf. |
| Horse Stable "A" | 10,400 sf. |
| Horse Stable "B" | 5,600 sf. |
| Horse Stable "A" Restroom | 384 sf. |
| Open Air Events Area 2 | 3,000 sf. |
| <u>Arena Fencing</u> | <u>600 lf.</u> |

Landerman-Moore Associates
LRS Architects, Inc.



Plan 3 - Proposed Facilities Master Plan



Plan 4 - Land-Use Plan

■ Development Sequence & Cost Projections

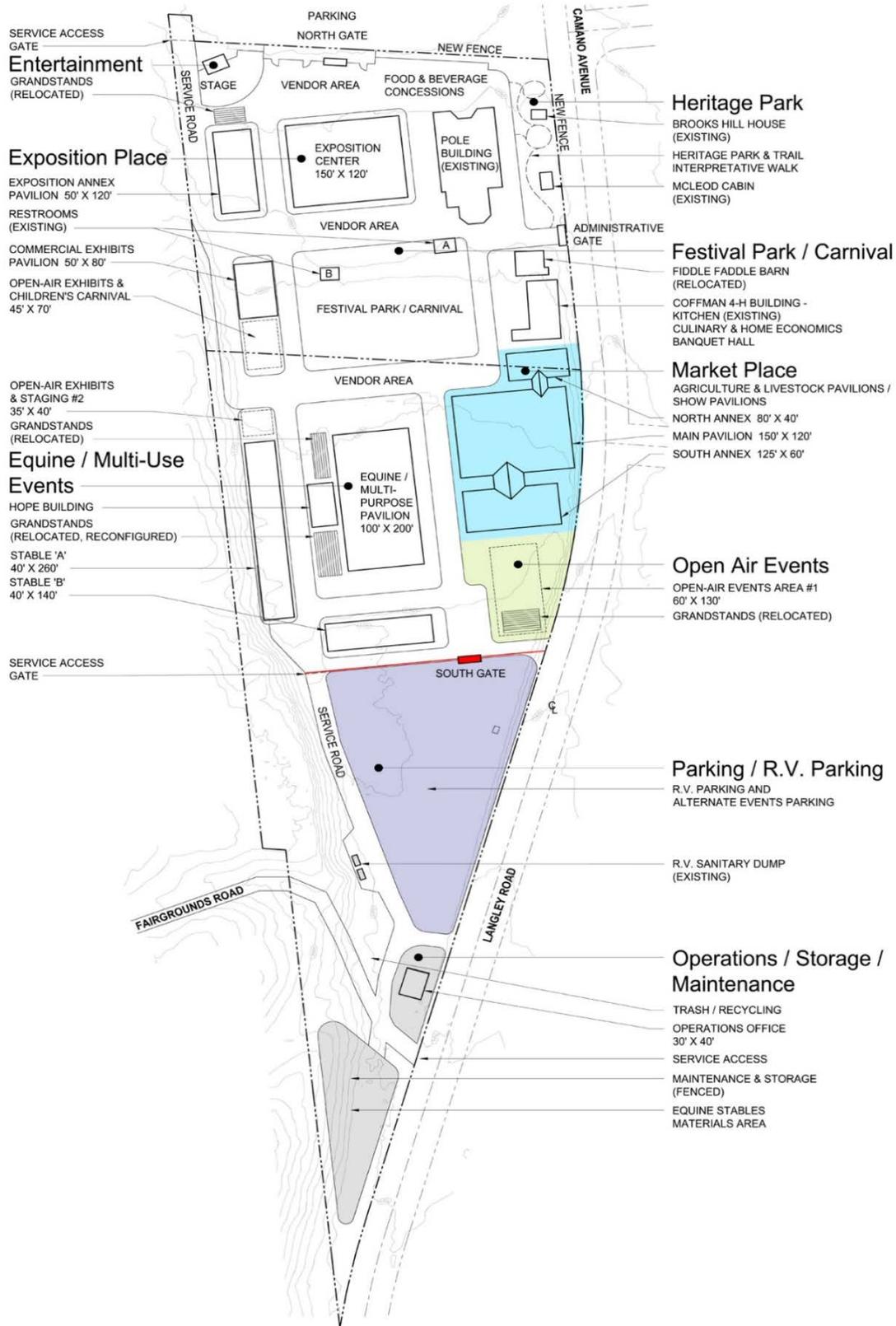
The demolition and removal process is to occur in a sequence designed to minimize disruption of existing events. There are four (4) development sequences requiring up to ten (10) years to implement depending on financing, economic performance and rate of construction completion.

Construction envelopes geographically define each sequence with a set of actions, improvements and construction time frames. Each sequence is considered “the project” with a scope and capital budget. Strategically, the development sequence begins at the south end of the site following a critical path through four phases to completion. The following tables identify each development sequence with construction cost projections.

Table 23
Development Sequence One
Project Demolition/ New Construction Cost Projection
 (Estimated 10 month Construction Period)

| <u>Project</u> | <u>Square or Lineal Feet</u> | <u>Cost Projection</u> |
|--|------------------------------|------------------------|
| Sheep Barn demolition | 3,456 sf. | \$ 10,368 |
| Swine & Cats Barn demolition | 1,800 sf. | \$ 5,400 |
| Antique Equipment demolition | 4,320 sf. | \$ 12,960 |
| Poultry/Rabbits demolition | 2,345 sf. | \$ 7,035 |
| Dog Pavilion/Shelter demolition | 2,100 sf. | \$ 6,300 |
| South Gate construction | 300 sf. | \$ 30,000 |
| Market Place Pavilion construction | 28,700 sf. | \$ 1,435,000 |
| Market Place Utilities | 600 sf. | \$ 100,000 |
| Open Air Events Area 1 construction | 7,800 sf. | \$ 23,400 |
| Log Show Area Grandstand renovation | 1,500 sf. | \$ 5,000 |
| Maintenance Bldg. construction | 1,200 sf. | \$ 84,000 |
| South Fencing construction | 400 lf. | \$ 12,000 |
| South Service Access Gate construction | 20 lf. | \$ 1,500 |
| Gravel Roads & Surfacing construction | 21,000 sf. | \$ 8,400 |
| Materials Storage construction | 3,780 sf. | \$ 20,000 |
| RV/Parking Area/Pump House | 67,980 sf. | \$ 20,000 |
| Total Construction Cost | | \$ 1,781,363 |

Source: LRS Architects Inc.
 Landerman-Moore Associates
 Architectural Cost Associates



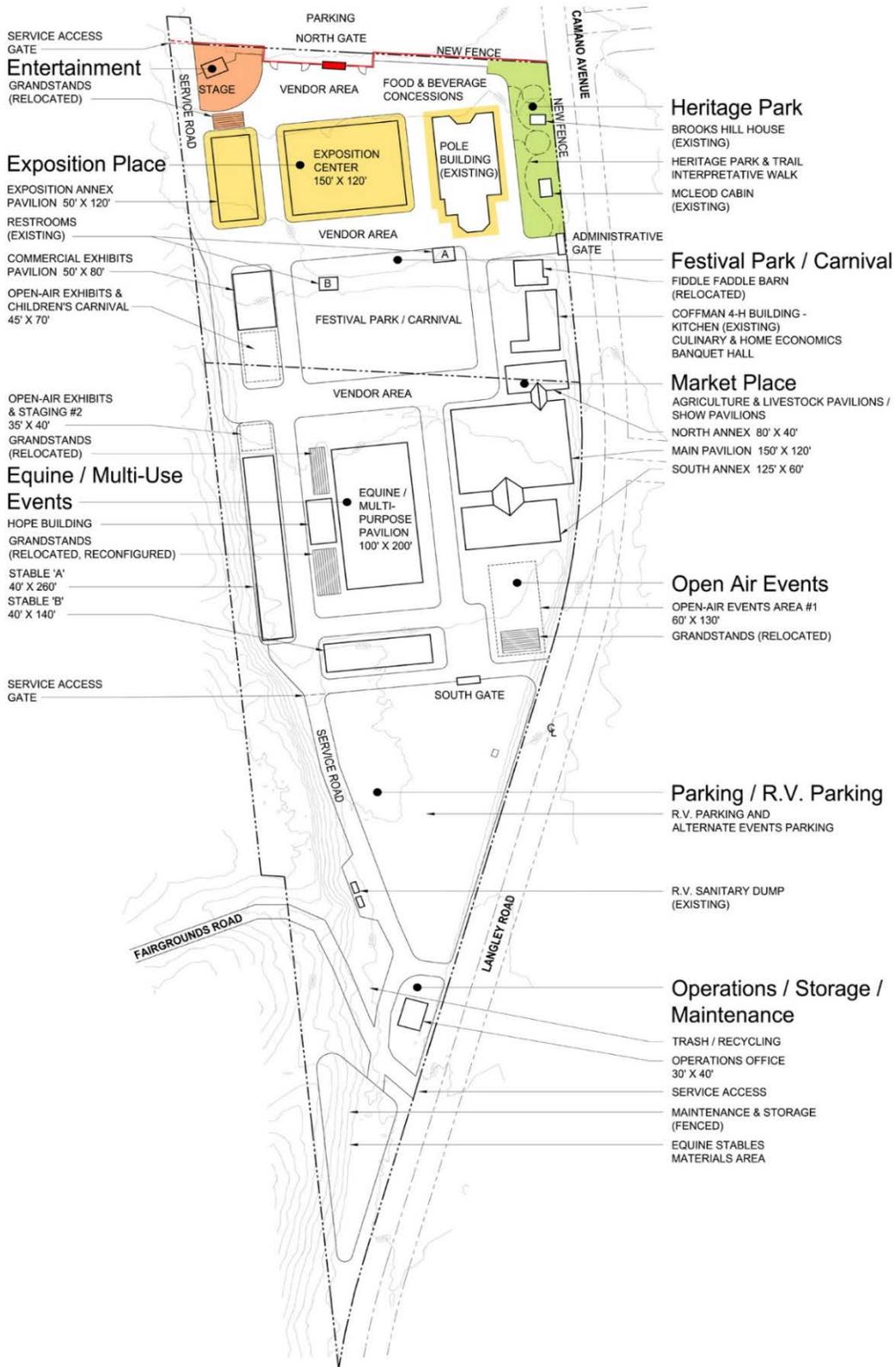
Plan 5 - Phase 1 Plan

Table 24
Development Sequence Two
Project Demolition/ New Construction Cost Projection
(Estimated 16 month Construction Period)

| Project | Square or Lineal Feet | Cost Projection |
|--|------------------------------|------------------------|
| Midway Food Court demolition | 2,784sf. | \$ 8,352 |
| Stage & Grandstand demolition | 760 sf. | \$ 2,280 |
| Main Entrance relocate to North Gate | 780 sf. | \$ 25,000 |
| Turner Building demolition | 5,000 sf. | \$ 15,000 |
| Burrier Building demolition | 4,800 sf. | \$ 14,400 |
| Malone Building demolition | 6,720 sf. | \$ 20,160 |
| Goat Barn demolition | 6,720 sf. | \$ 20,160 |
| Exposition Center construction | 18,000 sf. | \$ 1,980,000 |
| Exposition Annex construction | 6,000 sf. | \$ 300,000 |
| Stage construction | 1,200 sf. | \$ 30,000 |
| North Fencing construction | 535 lf. | \$ 16,050 |
| Service Access Gate construction | 20 lf. | \$ 1,500 |
| Heritage Park renovation | 12,500 sf. | \$ 37,500 |
| Utilities partial construction | | \$ 250,000 |
| Paved Roadways partial construction | 30,050 sf. | \$ 180,300 |
| Graveled Roadways partial construction | 37,500 sf. | \$ 49,000 |
| <u>Pole Building renovation</u> | <u>12,000 sf.</u> | <u>\$ 25,000</u> |
| Total Construction Cost | | \$ 2,974,702 |

Source: LRS Architects Inc.
Landerman-Moore Associates
Architectural Cost Associates

Note: As identified in the implementation schedule and Economic Performance section of this Strategic Plan, Development Sequence Two will not be implemented until the first five (5) years of operations after completion of Development Sequence One, or upon financial evidence of sufficient revenue growth and retained earnings to sustain debt service for additional capital improvements. Should the PDA not meet targeted revenue objectives, Development Sequence Two should be delayed until target is met. In the meantime, all existing facilities that remain after completion of Development Sequence One are to be utilized to the extent possible and remedial maintenance applied to better facilitate their use.



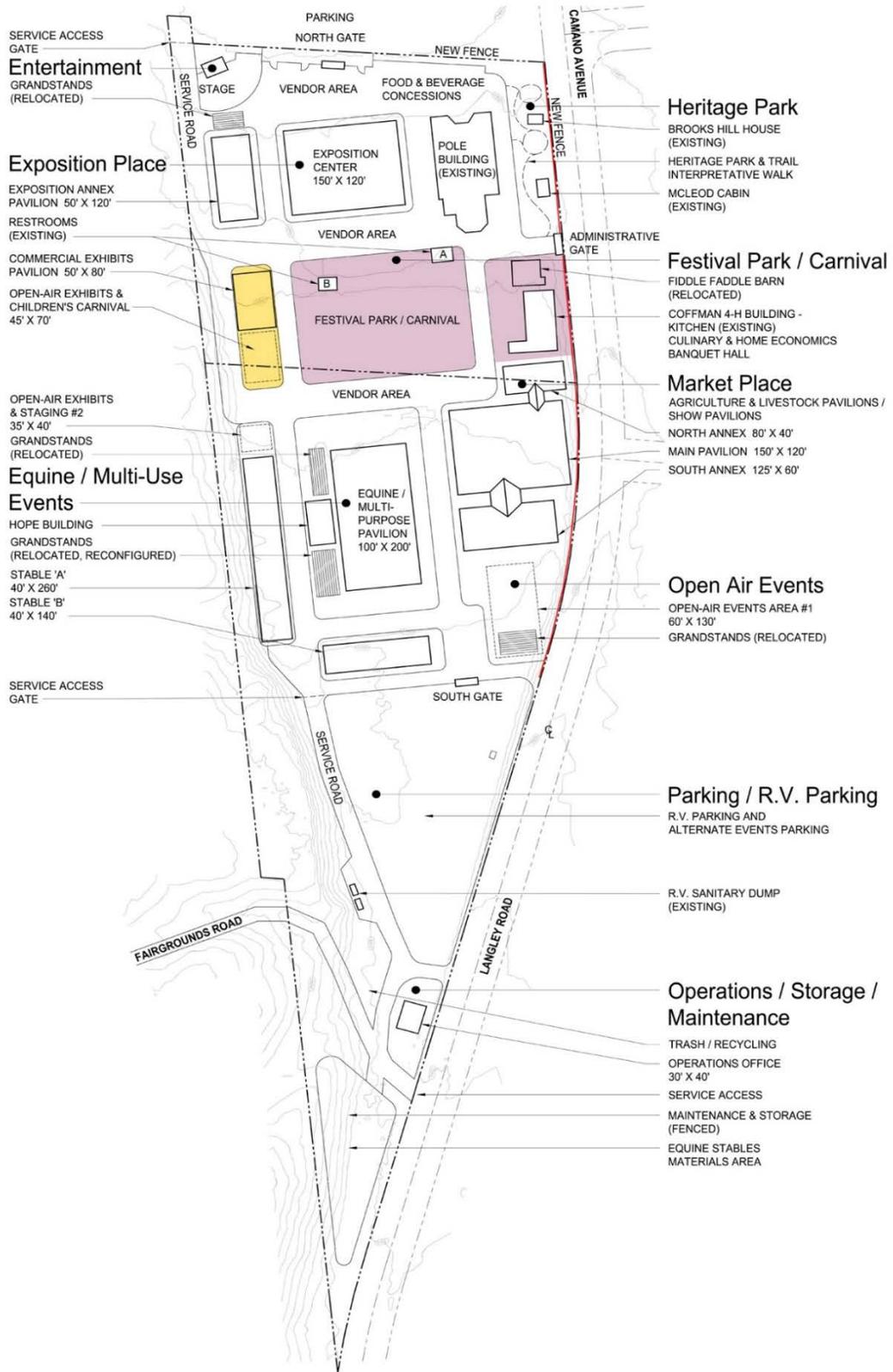
Plan 6 - Phase 2 Plan

Table 25
Development Sequence Three
Project Demolition/ New Construction Cost Projection
(Estimated 8 month Construction Period)

| Project | Square or Lineal Feet | Cost Projection |
|--|------------------------------|------------------------|
| Fiddle Faddle Barn relocation/renovation | 1,080sf. | \$ 10,000 |
| Restroom "A" renovation | 560 sf. | \$ 20,000 |
| Restroom "B" renovation | 450 sf. | \$ 20,000 |
| Horse Barn Restroom "C" demolition | 450 sf. | \$ 1,800 |
| Grandstand/ Alpaca Building demolition | 3,000 sf. | \$ 12,000 |
| Beef Barn demolition | 3,190 sf. | \$ 9,570 |
| Cavies barn demolition | 288 sf. | \$ 864 |
| Coffman - 4 H Building renovation | 4,064 sf. | \$ 50,000 |
| Commercial Pavilion construction | 4,000 sf. | \$ 200,000 |
| Festival Park/ Carnival construction/landscape | 40,250 sf. | \$ 281,750 |
| Site Lighting construction | | \$ 50,000 |
| Tower Feature | 100 sf. | \$ 50,000 |
| Paved Roadways partial construction | 22,300 sf. | \$ 133,800 |
| Gravel Roadways partial construction | 12,000 sf. | \$ 30,000 |
| Open Air Exhibits/ Carnival construction | 3,150 sf. | \$ 22,050 |
| East Fencing construction | 875 lf. | \$ 140,000 |
| Total Construction Cost | | \$ 1,031,834 |

Source: LRS Architects Inc.
Landerman-Moore Associates
Architectural Cost Associates

Note: While of a lesser capital cost, Development Sequence Three represents a positive feature for facilitating outdoor events and consolidation of use. The neighborhood is to be improved to present a park like setting located in the central area of the site. The cost of producing open-air events is minimal and the revenues and retained earnings should be measurably improved. Fair exhibits and vendor or concession layout and presentation, including carnival, and other attractions will be accommodated and enhanced in this space.



Plan 7 - Phase 3 Plan

Table 26
Development Sequence Four
Project Demolition/ New Construction Cost Projection
(Estimated 12 month Construction Period)

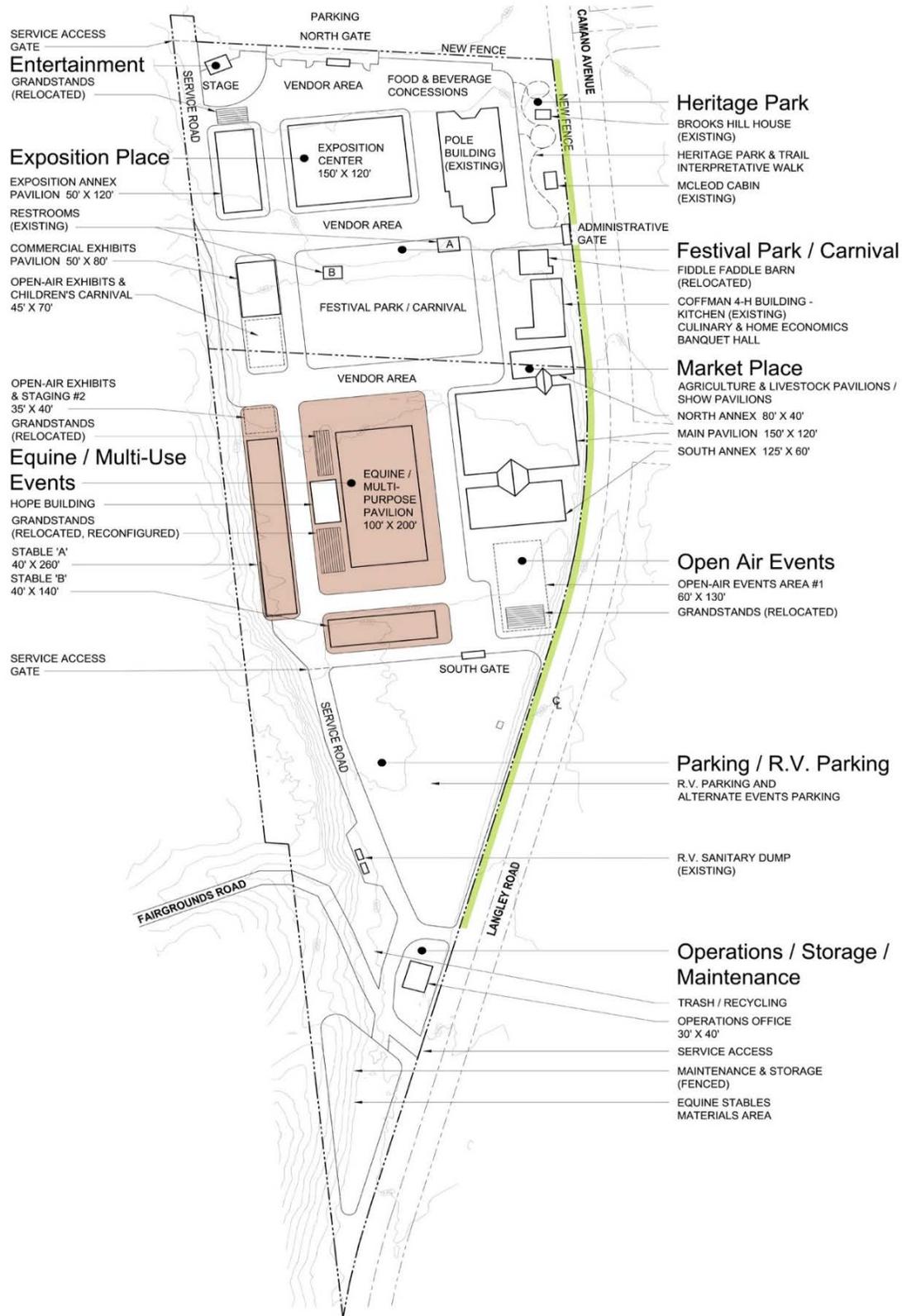
| Project | Square or Lineal Feet | Cost Projection |
|---|------------------------------|------------------------|
| Horse Barn No. 1 demolition | 4,200 sf. | \$ 12,600 |
| Horse Barn No. 2 demolition | 3,400 sf. | \$ 10,200 |
| Horse Barn No. 3 demolition | 3,200 sf. | \$ 9,600 |
| East Grandstand relocation, renovation | 3,000 sf. | \$ 15,000 |
| West Grandstand renovation | 1,400 sf. | \$ 5,000 |
| Restroom "C" demolition | 450 sf. | \$ 1,800 |
| Hope Building renovation | 1,560 sf. | \$ 50,000 |
| Pump House renovation | | \$ 5,000 |
| Log Show Grandstand relocation/renovation | 1,500 sf. | \$ 5,000 |
| Retaining Wall construction | 100 lf. | \$ 10,000 |
| Horse Arena/ Pavilion construction* | 20,000 sf. | \$ 1,000,000 |
| Horse Stable "A" construction | 10,400 sf. | \$ 624,000 |
| Horse Stable "B" construction | 5,600 sf. | \$ 336,000 |
| Horse Stable "A" Restroom construction | 384 sf. | \$ 96,000 |
| Open Air Events Area 2 construction | 1,400 sf. | \$ 4,200 |
| Gravel Roadways partial construction | 23,600 | \$ 59,000 |
| <u>Camano Ave. Frontage Landscaping</u> | 875 lf. | \$ 43,750 |
| Total Construction Cost | | \$ 2,287,150 |

Source: LRS Architects Inc.
Landerman-Moore Associates
Architectural Cost Associates

*Includes arena fencing

Note: This final development sequence is projected to be implemented in the tenth year of operations or sooner, if the PDA achieves all economic performance objectives and has realized sufficient retained earnings. The Horse Arena/Pavilion is a multi-purpose facility designed with an overhead structure that extends the number of use days and offers opportunities for expanded equine and alternative events.

Beyond the development sequences identified in the Strategic Plan, there may be additional improvements that the IECDA identifies and may afford to be implemented. Such improvements should be undertaken only when they are measured against market and economic performance principles and clearly contribute to economic development for Island County and the region.



Plan 8 - Phase 4 Plan

Table 27
Development Sequence Summary
Project Demolition/ New Construction Cost Projection
(Estimated up to 10 year development period)

| <u>Development Sequence</u> | <u>Construction Cost Projection</u> |
|--|-------------------------------------|
| One: Market Place/Operations & Maintenance | \$ 1,781,363 |
| Two: Exposition Place/Heritage Park | \$ 2,974,702 |
| Three: Festival Park/Carnival | \$ 1,031,834 |
| Four: Equine/Multi-Purpose Arena | \$ 2,287,150 |
| Total Construction Cost | \$ 8,075,049 |

Source: LRS Architects Inc.
Landerman-Moore Associates
Architectural Cost Associates

Note: Additional costs, such as administrative and legal expenses, Architectural and Engineering fees, construction inspection, and contingencies are provided in project budgets found in "Development Sequence Budgets" of the Economic Performance section that follows. Local and state taxes are not added due to variations in materials and labor costs. Detailed cost projections in unit amounts for all facilities improvements, including demolition, relocation, renovation and new facilities and site and utilities are found in the Appendix. Please see Technical Memoranda No. 6.

Economic Performance

Economic performance is predicated on successfully organizing the Island Event Center Development Authority (IECDA), and the Foundation (IECF) and the capacity of key executive staff and board members. There will need to be aggressive implementation of a sequenced capital improvement program, and a marketing effort that promotes core event functions cited in the Strategic Plan with emphasis on the production of revenue generating activities beginning with full use of Market Place and all other available facilities.

A start up and incremental stabilization period of up to five years is projected. During this time, the IECDA will need to incur capital debt and establish operating funds sufficient to carry operations through the initial year to the fifth year. As capital improvements are implemented, new events may be produced. However, economic performance is not reliant on the IECDA performing as a “landlord” only.

The IECDA may and should organize and produce events, preferably *Festivals* built on themed music, food and beverage that maximum retained earnings. However, no IECDA self-production or co-production values are contained in the following assessment.

Table 28
Facility Use Projection
 Annual Percent Occupancy - Use Days

| <u>Neighborhood/Facility</u> | <u>sf.</u> | <u>%</u> | <u>Use Days</u> |
|------------------------------|----------------|------------|-----------------|
| Expo Center | 40,000 | 43% | 146 |
| Market Place | 28,700 | 38% | 129 |
| Equine/Multi-Purpose Arena | 50,600 | 15% | 51 |
| Park Place | 50,800 | 28% | 95 |
| <u>Outdoor Events</u> | <u>12,800</u> | <u>18%</u> | <u>61</u> |
| Totals | 182,900 | | 482 |

Landerman-Moore Associates

Note: This table is repeated from an earlier table for reference purposes.

Table 29
Combined Market Population Penetration Summary
(Projected Combined Market Population of 11.7 Million)

Annual Patronage Projection

| <u>Use/Event Classification</u> | <u>Market Penetration</u> |
|--|---------------------------|
| Festivals | 53,320 |
| Special Events | 73,000 |
| Fairs & Expositions | 39,680 |
| Trade Shows | 35,320 |
| Conferences & Symposiums | 28,250 |
| <u>Demonstrations & Competitions</u> | <u>19,630</u> |
| Total: | 249,200 |

Landerman-Moore Associates

Note: Table repeated from an earlier table for reference purposes

Table 30
Per Capita Spending by Event Classification
(Spending range projections based on data provided by sources listed)

| <u>Event Classification</u> | <u>Spending Range</u> |
|--|----------------------------|
| Festivals | \$ 47.60 - \$ 128.30 |
| Special Events | \$ 34.25 - \$ 68.18 |
| Fairs & Expositions | \$ 38.50 - \$ 76.30 |
| Trade Shows | \$ 18.90 - \$ 34.60 |
| Conferences & Symposiums | \$ 38.60 - \$ 78.10 |
| <u>Demonstrations & Competitions</u> | <u>\$ 15.30 - \$ 29.70</u> |

Source: Landerman-Moore Associates

Washington State Fairs & Other Fairgrounds Activities Economic Impact Analysis, June 200International Association of Fairs & Expositions

U.S. Census Statistical Abstract 2012, Arts, Recreation, Events and Leisure Activities

Note: Throughout the United States there is a wide range of fair and non-fair activities in terms of location, market, production elements and pricing. Per capita spending ranges are typical of the classification or type of event listed. The greatest per capita range is Festivals.

It should also be noted that the average per capita spending for combined Washington State Fair and Non-Fair events ranges from a low of \$31.80 to a high of \$59.91 in 2013 dollar values. The averaged 2013 per capita spending of the four larger fairs in Washington is about \$67.45.

Table 31
Projected Overall Per Capita Spending Revenue
 (Annual Per Capita Gross On-Site Expenditure Range \$18.00 - \$47.60)

| <u>Use/Event Classification</u> | <u>Patrons</u> | <u>Per Capita</u> | <u>Revenue</u> |
|---------------------------------|----------------|-------------------|---------------------|
| Festivals | 53,320 | \$ 47.60 | \$ 2,538,032 |
| Special Events | 73,000 | \$ 28.00 | \$ 2,044,000 |
| Fairs & Expositions | 30,680 | \$ 34.00 | \$ 1,043,120 |
| Trade Shows | 35,320 | \$ 18.00 | \$ 635,760 |
| Conferences & Symposiums | 28,250 | \$ 24.00 | \$ 678,000 |
| <u>Demo & Competitions</u> | <u>19,630</u> | <u>\$ 20.00</u> | <u>\$ 392,600</u> |
| Totals | 249,200 | | \$ 7,331,512 |

Source: Landerman-Moore Associates

Table 32
Projected Overall Facility Rental Revenue
 (Gross Annual Rental Revenue by Square Foot Range 2.5¢ to 5.5¢)

| <u>Neighborhood/Facility</u> | <u>sf.</u> | <u>rate/sf.</u> | <u>Use Days</u> | <u>Revenue</u> |
|------------------------------|----------------|-----------------|-----------------|-------------------|
| Expo Center | 40,000 | 5.5¢ | 146 | \$ 321,200 |
| Market Place | 28,700 | 4.5¢ | 129 | \$ 166,604 |
| Equine/Multi-Purpose Arena | 50,600 | 2.5¢ | 51 | \$ 64,515 |
| Park Place | 50,800 | 2.5¢ | 95 | \$ 120,650 |
| Outdoor Events | 12,800 | 2.5¢ | 61 | \$ 19,520 |
| Totals | 182,900 | | 482 | \$ 692,489 |

Source: Landerman-Moore Associates

Table 33
Projected Overall Revenue Summary
 (Annual, after ten year stabilization period)

| | |
|------------------------------------|----------------------------|
| • Facility Rental Revenue | \$ 692,489 |
| • <u>Per Capita Revenue</u> | \$ <u>7,331,512</u> |
| TOTAL ANNUAL: | \$ 8,024,001 |

■ Gross IECDA Revenue

Assuming “Landlord” status, the following are IECDA projected gross receivables for per capita spending and facilities rental at point of build-out and stabilization. Revenue and percentages are averaged at the low end of performance scales. Rental income is based on low to moderate rates charged event producers at similar venues.

Table 34
Festivals - Retained Per Capita Spending
 (53,320 patrons at \$47.60 gross per capita expenditure rate)

| <u>Spending Category</u> | <u>Amount</u> | <u>% Retained</u> | <u>Net Revenue</u> |
|--------------------------|-----------------|-------------------|--------------------|
| Parking | \$ 5.00 | 100% | \$5.00 |
| Gate/ Admissions | \$ 11.50 | 30% | \$3.45 |
| Food & Beverage | \$ 18.10 | 26% | \$4.71 |
| Merchandise/Clothing | \$ 9.40 | 22% | \$2.07 |
| Novelties | \$ 3.10 | 22% | \$0.68 |
| Miscellaneous | \$ 0.50 | 15% | \$0.08 |
| Totals: | \$ 47.60 | | \$15.99 |

Note: 53,320 annual patrons at \$15.99 equal \$852,587 retained by the IECDA

Table 35
Special Events - Retained Per Capita Spending
 (73,000 patrons at \$34.25 gross per capita expenditure rate)

| <u>Spending Category</u> | <u>Amount</u> | <u>% Retained</u> | <u>Net Revenue</u> |
|--------------------------|-----------------|-------------------|--------------------|
| Parking | \$ 5.00 | 100% | \$5.00 |
| Gate/ Admissions | \$ 7.80 | 30% | \$2.34 |
| Food & Beverage | \$ 12.15 | 26% | \$3.16 |
| Merchandise/Clothing | \$ 6.10 | 22% | \$1.34 |
| Novelties | \$ 3.00 | 22% | \$0.66 |
| Miscellaneous | \$ 0.20 | 15% | \$0.08 |
| Totals: | \$ 34.25 | | \$12.58 |

Note: 73,000 annual patrons at \$12.58 equal \$918,340 retained by the IECDA

Table 36
Fairs & Expositions - Retained Per Capita Spending
(39,680 patrons at \$38.50 gross per capita expenditure rate)

| <u>Spending Category</u> | <u>Amount</u> | <u>% Retained</u> | <u>Net Revenue</u> |
|--------------------------|-----------------|-------------------|--------------------|
| Parking | \$ 5.00 | 100% | \$5.00 |
| Gate/ Admissions | \$ 6.00 | 30% | \$1.80 |
| Food & Beverage | \$ 12.70 | 26% | \$3.31 |
| Merchandise/Clothing | \$ 7.10 | 22% | \$1.56 |
| Novelties | \$ 2.50 | 22% | \$0.55 |
| Rides & Games | \$ 5.00 | 25% | \$1.25 |
| Miscellaneous | \$ 0.20 | 15% | \$0.03 |
| Totals: | \$ 38.50 | | \$13.50 |

Note: 39,680 annual patrons at \$13.50 equal \$535,680 retained by the IECDA

Trade Shows, Conferences and Symposiums, and Demonstrations and Competitions generally retain 15% of per capita spending at such events and 100% of space and facilities rental fees. The following identifies the projected net per capita revenue retained by the IECDA for these event classifications.

- **TRADE SHOWS:** 35,320 patrons at \$18.90 per capita =
\$ 667,548 gross x .15% = **\$100,132** annual net revenue to the IECDA.
- **CONFERENCES & SYMPOSIUMS:** 28,250 patrons at \$38.60 per capita =
\$1,090,450 gross x .15% = **\$163,568** annual net revenue to the IECDA.
- **DEMONSTRATIONS & SYMPOSIUMS:** 19,630 patrons at \$15.30 per
capita = \$300,339 gross x .15% = **\$45,051** annual net revenue to the IECDA.

Table 37
Island Event Center Development Authority
Retained Per Capita Spending Summary

| <u>Event Classification</u> | <u>Net Retained Revenue</u> |
|-------------------------------|-----------------------------|
| Festivals | \$ 852,587 |
| Special Events | \$ 918,340 |
| Fairs & Expositions | \$ 535,680 |
| Trade Shows | \$ 100,132 |
| Conferences & Symposia | \$ 163,568 |
| Demonstrations & Competitions | \$ 45,051 |
| Total: | \$ 2,615,358 |

Note: The combined retained per capita revenue of \$ 2,615,358 and space and facilities rental fees of \$692,489 total \$3,307,847 annual retained revenue. Retained revenue is considered the projected gross receivables before expenses including personnel, operations and maintenance.

Table 38
Island Event Center Development Authority
Projected Annual Gross Revenue at Stabilization
(Amounts are projected in 2013 dollar values)

| <u>Event Classification</u> | <u>Net Retained Revenue</u> |
|-----------------------------|-----------------------------|
| Per Capita Revenue | \$ 2,615,358 |
| Space & Facilities Rental | \$ 692,489 |
| Total: | \$ 3,307,847 |

Source: Landerman-Moore Associates

Note: Total annual gross receivables are projections based on build-out of the development program and stabilization at approximately 10 years of full operation. The base data is derived from events industry economic performance data and financial transactions, vendor contract policies and monetary practices pertaining to festivals, fairs, expositions and events located in the western United States region and Washington state.

■ IECDA Operations & Maintenance

A key responsibility of Operations and Maintenance is to provide the IECDA with the essential services necessary to properly maintain the 12.8 acre site and all infrastructure and facilities that exist, are renovated or new facilities when constructed. The targeted level of maintenance is preventative followed by remedial services administered under a computer based maintenance management system (CMMS). Such systems are an industry standard ensuring economy, longevity and safety.

Maintenance services levels and related costs vary widely depending on location, facilities, construction materials, climate conditions, and other factors. Maintenance service levels and objectives are also based on factored square footages. Factoring calculations apply to structures, utilities, infrastructure, landscaped areas and custodial services linked to use categories and their respective square footages. Service levels and costs are applied on industry standards basis, manufacturer’s recommendations and schedules.

The IECDA should periodically compare service standards and adjust service levels and costs. All performance goals should be measured at quarterly intervals. Facilities and equipment should be monitored for replacement, adjustments, winterizing and other functional or operational needs. The following indicates per square foot units targeted for maintenance, utilities and grounds and custodial services.

- Facilities & Structures - 109,730 sf.
- Out Door Events Areas - 56,000 sf.
- Circulation, Open Space & Landscape - 388,058 sf.
- Operations & Maintenance Yard - 3,780 sf.
- Overall Site & Use Areas - 557,568 sf.

Table 39
O&M Targeted Costs by Function

| Function | Annual sf. Cost |
|------------------------|------------------------|
| Maintenance | \$1.58 |
| Utilities | \$1.97 |
| Grounds & Circulation | \$0.58 |
| Operations & Custodial | \$0.67 |

Combined cost units are applied to service categories as shown in the following table. Maintenance, utilities and/or custodial are combined for some factored service areas such as facilities, structures and event areas.

Table 40
Operations & Maintenance Costs
 (Annual O&M Costs @ 2013 Dollar Values)

| <u>Factored Service Area</u> | <u>Per sf. Rate</u> | <u>Square Feet</u> | <u>Cost Projection</u> |
|------------------------------|---------------------|--------------------|------------------------|
| Facilities & Structures | \$ 3.55 | 109,730 | \$ 389,542 |
| Outdoor Events Areas | \$ 2.55 | 56,000 | \$ 142,800 |
| Open Space & Landscape | \$ 0.58 | 388,058 | \$ 225,074 |
| Custodial Services | \$ 0.67 | 557,568 | \$ 373,571 |
| Total: | | | \$1,130,987 |

Sources: Landerman-Moore Associates

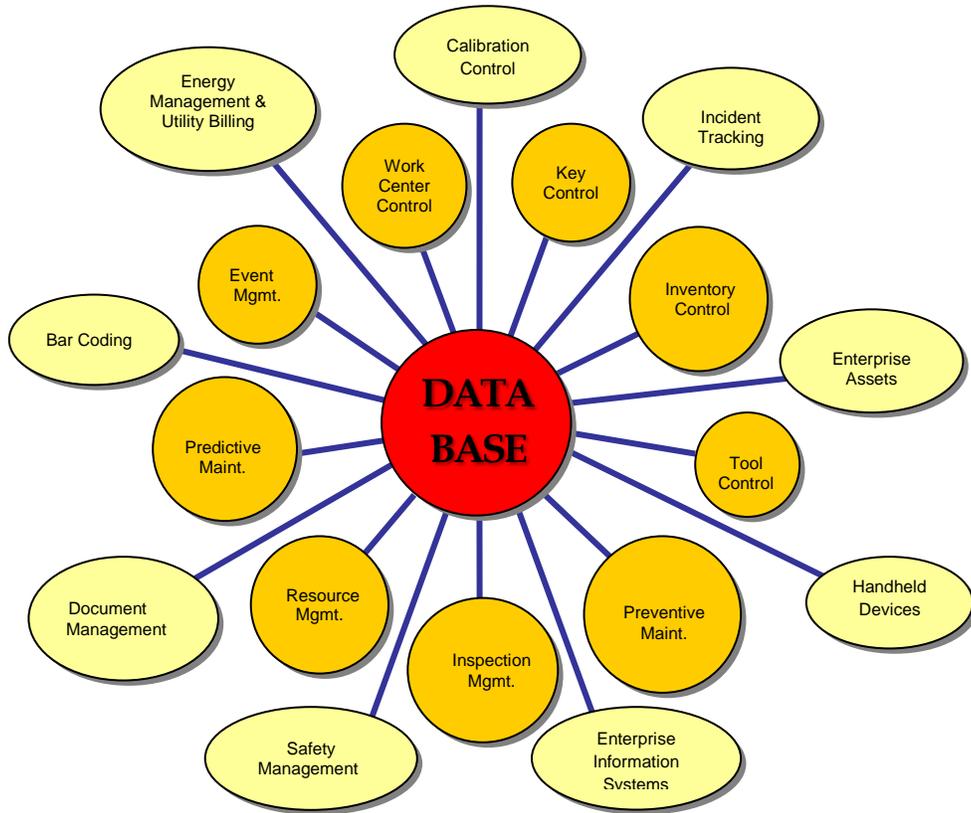
Note: For Facilities & Structures the unit cost of maintenance and utilities are combined. For Outdoor Events Areas the unit cost of utilities and Open Space & Landscape are combined. Open Space & Landscape service areas are factored by \$0.58 per square foot and Custodial Services are factored by \$0.67 per square foot.

A CMMS software package maintains a computer database of information about an organization's maintenance and operations. It may well be called a "CMMIS" or a Computerized Maintenance Management Information System. This information helps management and maintenance workers do their jobs more effectively and efficiently. For example, determining what equipment or machinery require maintenance and the inventory and location of spare parts needed provides informed decisions including cost calculations, the cost of repair versus preventive maintenance leading to improved resource allocation. CMMS data may also be used to verify regulatory compliance.

CMMS systems should be acquired and used by the IECDA to perform maintenance on all physical assets and property. CMMS packages can produce status reports and documents giving details or summaries of maintenance activities. The more sophisticated the package, the more analysis facilities are available. The following illustration suggests the functional capacity of CMMS.

Chart "F"

Computer Maintenance Management System Model



Maintenance and operations of an event center, particularly when it includes boarding, and staging animals, requires staffing, equipment, supplies and a materials inventory. An organizational structure designed to maintain health and safety, and sustain event production and activities schedules is critical for the Island Event Center. All O&M functions must be administered in a manner that supports production and preserves the integrity of facilities and infrastructure.

O&M staffing classifications include administrative, service and skilled and un-skilled maintenance personnel responsible for supervision, public relations record keeping, facilities care, repairs and equipment operations. Also, there will be a need to establish and manage a standing inventory of tools, equipment, materials and supplies, and to schedule human and physical resources effectively. These functions are predicated on:

- ❑ **Demand Work:** Specialized services called in or contracted to address repairs to equipment or facilities and emergency events that impact production or operations.
- ❑ **Preventative Maintenance Work:** A scheduled program of services, which maintains the investment in physical assets and ensures functional capacity of the site and facilities for their intended uses and life-terms.
- ❑ **Project Work:** When event production requirements change, designed or statutory improvements require certain skills to facilitate upgrades for compliance or to improve the scope and quality of event production, operations and customer service.

O&M functions should be applied using the suggested computer maintenance management system (CMMS) which tracks all work performed, providing a scheduled “to do list” on an updated basis throughout the operating year.

Several computerized CMMS packages exist, significantly increasing operational and maintenance performance. Administrative decisions, from policy to work order to action, will be more informed and practical. The quality care and protection of investments made in the property, the facilities, and the equipment will be significantly enhanced.

Please reference the following CMMS programs for more details regarding their function and application:

www.wbdg.org/om/cmms.php

www.assetpoint.com

www.proteusmmx.htm

The following summary projection assumes completion of build-out and production, operations and economic stabilization of the Island Event Center. All projections are correlated with market and patronage projections, rental rates and per capita spending levels at the targeted event classifications determined suitable for production at the site.

Table 41
ISLAND EVENT CENTER DEVELOPMENT AUTHORITY
Projected Financial Performance at Build-Out
 (Assumes up to 10 year build-out and stabilizing period)

SUMMARY

| | |
|--|---------------------|
| • Total Annual On-Site Revenue Activity | \$ 8,024,001 |
| • IECDA Gross Retained Revenue | \$ 3,307,847 |
| • Operations & Maintenance Expense | \$ 1,130,987 |
| • Personnel Expense (Includes Staff Benefits) | \$ 621,810 |
| • <u>Cash Reserves Fund (10% of Gross Retained Revenue)</u> | <u>\$ 330,785</u> |
| | |
| • Net Revenue Before Taxes | \$ 1,224,265 |
| | |
| • <u>Estimated Taxes and Interest (8.8% of gross retained revenue)</u> | <u>\$ 291,090</u> |
| | |
| • Retained Earnings (Available for capital debt service) | \$ 933,175 |

Landerman-Moore Associates
 December 20th 2013

Note: Gross retained revenue, in terms of a percentage of overall on-site monetary activity is approximately 40%. Thus an economic performance target of at least 40% of cumulative monetary transactions should be maintained as part of fiscal operating policy of the IECDA.

As the years progress and the development sequences are implemented and new events are established and become part of operations, the retained earnings and funds available for debt service will incrementally increase. However the margins are narrow and every effort should be taken to maintain an aggressive production schedule and manage operations and maintenance effectively.

The following tables describe Development Sequence Budgets which apply all architectural and engineering costs, administrative costs and other cost factors associated with the projects. The development budgets include contingencies and are the budget projections to be used in determining bond financing and other financing tools applied to the capital development program.

■ Development Sequence Budgets

Based on construction unit costs found in Technical Memoranda No. 6, and the scope of improvements identified in Development Sequence and Cost Projections, the following are development budgets organized by sequence one through four. Applying the construction cost, the development budgets include project(s) administrative expense, architectural and engineering for design and construction documents, inspection and contingencies.

Table 42
Sequence One
Development Budget Projection
 (2013 Dollar Values Indexed to Puget Sound Region)

| Cost Classification | Total |
|---|---------------------|
| 1. Administrative and Legal Expenses (1%) | \$ 20,410 |
| 2. Architectural & Engineering (9.5%) | \$ 193,891 |
| 3. Other Architectural & Engineering (0.3%) | \$ 6,123 |
| 4. Project Inspection (0.2) | \$ 4,082 |
| 5. Sub Total | \$ 224,506 |
| 6. Site Work/Utilities | \$ 20,000 |
| 7. Demolition, Removal & Renovation | \$ 42,063 |
| 8. New Construction | \$ 1,978,900 |
| 9. Special Equipment | \$ 0 |
| 10. Miscellaneous Project Costs | \$ 0 |
| 11. Subtotal | \$ 2,040,963 |
| 12. Contingencies (10 %) | \$ |
| 13. Total Project Costs | \$ 2,469,565 |

Source: LRS Architects, Inc.
 Landerman-Moore Associates
 Architectural Cost Consultants, Inc.

Note: Local and State taxes have not been added due to variations in materials and labor costs.

Table 43
Sequence Two
Development Budget Projection
(2013 Dollar Values Indexed to Puget Sound Region)

| COST CLASSIFICATIONS | Total |
|---|---------------------|
| 1. Administrative and Legal Expenses (1%) | \$ 29,747 |
| 2. Architectural & Engineering (9.5%) | \$ 282,597 |
| 3. Other Architectural & Engineering (0.3%) | \$ 8,924 |
| 4. Project Inspection (0.2) | \$ 5,949 |
| 5. Sub Total | \$ 327,217 |
| 6. Site Work/Utilities | \$ 250,000 |
| 7. Demolition, Removal & Renovation | \$ 167,852 |
| 8. New Construction | \$ 2,556,850 |
| 9. Special Equipment | \$ 0 |
| 10. Miscellaneous Project Costs | \$ 0 |
| 11. Subtotal | \$ 2,974,702 |
| 12. Contingencies (10 %) | \$ 297,470 |
| 13. Total Project Costs | \$ 3,599,389 |

Source: LRS Architects, Inc.
Landerman-Moore Associates
Architectural Cost Consultants, Inc.

Note: Local and State taxes have not been added due to variations in materials and labor costs.

Table 44
Sequence Three
Development Budget Projection
(2013 Dollar Values Indexed to Puget Sound Region)

| COST CLASSIFICATIONS | Total |
|---|---------------------|
| 1. Administrative and Legal Expenses (1%) | \$ 10,318 |
| 2. Architectural & Engineering (9.5%) | \$ 98,024 |
| 3. Other Architectural & Engineering (0.3%) | \$ 3,096 |
| 4. Project Inspection (0.2) | \$ 2,064 |
| 5. Sub Total | \$ 113,502 |
| 6. Site Work | \$ 0 |
| 7. Demolition, Removal & Renovation | \$ 124,234 |
| 8. New Construction | \$ 907,600 |
| 9. Special Equipment | \$ 0 |
| 10. Miscellaneous Project Costs | \$ 0 |
| 11. Subtotal | \$ 1,031,834 |
| 12. Contingencies (10 %) | \$ 103,183 |
| 13. Total Project Costs | \$ 1,248,519 |

Source: LRS Architects, Inc.
Landerman-Moore Associates
Architectural Cost Consultants, Inc.

Note: Local and State taxes have not been added due to variations in materials and labor costs.

Table 45
Sequence Four
Development Budget Projection
(2013 Dollar Values Indexed to Puget Sound Region)

| COST CLASSIFICATIONS | Total |
|---|---------------------|
| 1. Administrative and Legal Expenses (1%) | \$ 23,154 |
| 2. Architectural & Engineering (9.5%) | \$ 219,958 |
| 3. Other Architectural & Engineering (0.3%) | \$ 6,946 |
| 4. Project Inspection (0.2) | \$ 4,631 |
| 5. Sub Total | \$ 254,689 |
| 6. Site Work /Utilities | \$ 0 |
| 7. Demolition, Removal & Renovation | \$ 112,400 |
| 8. New Construction | \$ 2,202,950 |
| 9. Special Equipment | \$ 0 |
| 10. Miscellaneous Project Costs | \$ 0 |
| 11. Subtotal | \$ 2,320,350 |
| 12. Contingencies (10 %) | \$ 231,535 |
| 13. Total Project Costs | \$ 2,806,574 |

Source: LRS Architects, Inc.
Landerman-Moore Associates
Architectural Cost Consultants, Inc.

Note: Local and State taxes have not been added due to variations in materials and labor costs.

Table 46

SUMMARY
Island Event Center
 Development Sequence Budget Projections
 (2013 Dollar Values Indexed to Puget Sound Region)

| Sequence | Construction | Project Adm. | Contingencies | Total Cost |
|-----------------|---------------------|---------------------|----------------------|----------------------|
| One | \$ 2,040,963 | \$ 224,506 | \$ 204,096 | \$ 2,469,565 |
| Two | \$ 2,974,702 | \$ 327,217 | \$ 297,470 | \$ 3,599,389 |
| Three | \$ 1,031,834 | \$ 113,502 | \$ 103,183 | \$ 1,248,519 |
| Four | \$ 2,320,350 | \$ 254,689 | \$ 231,535 | \$ 2,806,574 |
| Totals | \$ 8,362,849 | \$ 919,914 | \$ 836,284 | \$ 10,124,047 |

Source: LRS Architects
 Landerman-Moore Associates
 Architectural Costs Associates

Note: Project administration costs average 11% of construction cost. Such costs, including A&E services, inspection and contingencies as well as other incidental expenses are detailed in the respective development sequence budgets. In addition, contingencies average 10% of project construction cost. Local and state taxes are not added due to wide variations in materials, equipment and labor costs located in Technical Memoranda No. 6.

The development sequence is spread over a ten year period with the first sequence in year one, the second sequence in year five, the third sequence in year eight and the fourth sequence in year ten. The advancement of each development sequence will depend on economic performance of the IECDA and the participation of the Island Event Center Foundation.

The following section provides a financial roadmap based on the projected market participation, event production and the incremental levels of retained earnings capacity the IECDA achieves.

■ Revenue, Expense & Debt Service

Economic performance indicates that after the initial capital improvements in the first year, an initial stabilization period of five years is anticipated. At build-out and during the ten years of production, the IECDA may realize \$927,000 in retained revenue dedicated to capital projects debt. Sequencing the development process in close association with economic performance will determine the actual level of debt the IECDA may qualify for. A ten year development window for improvements appears sufficient. However, the IECDA would not qualify to undertake a \$10 million capital debt for a single 15 or 20 year bond. The 1.25 minimum debt service coverage could not be achieved and net revenues available for debt service are insufficient. The following table indicates the need for “staggered” financing administered in the capitalization program.

Table 47
Island Event Center Development Authority
10 Year Projected Gross and Net Retained Earnings
 (Based on event production/revenue objectives and economic performance analysis)

| <u>Operating Year</u> | <u>Gross Revenue</u> | <u>Expenses</u> | <u>Net for Debt Service</u> |
|-----------------------|----------------------|-----------------|-----------------------------|
| One | \$ 728,000 | \$ 546,000 | \$ 182,000 |
| Two | \$ 856,004 | \$ 642,003 | \$ 214,001 |
| Three | \$ 1,223,000 | \$ 917,250 | \$ 305,750 |
| Four | \$ 1,390,000 | \$ 1,042,500 | \$ 347,000 |
| Five | \$ 1,550,000 | \$ 1,162,500 | \$ 387,500 |
| Six | \$ 2,145,000 | \$ 1,608,750 | \$ 536,250 |
| Seven | \$ 2,523,000 | \$ 1,892,250 | \$ 630,750 |
| Eight | \$ 3,003,000 | \$ 2,252,250 | \$ 750,750 |
| Nine | \$ 3,338,000 | \$ 2,503,500 | \$ 834,500 |
| Ten | \$ 3,710,000 | \$ 2,782,500 | \$ 927,500 |

Source: Landerman-Moore Associates

Note: The years and numbers in bold are for the year in which a bond is issued. In this scenario, the IECDA would achieve sufficient net retained earnings for debt service at peak amounts and retire bonded indebtedness in 15 year sequences. The projected gross retained revenue amount of \$3,307,847 as indicated in Table 41 may be achieved after year eight. Thus by year ten, the IECDA may reach the \$3.7 million level.

Chart "G"

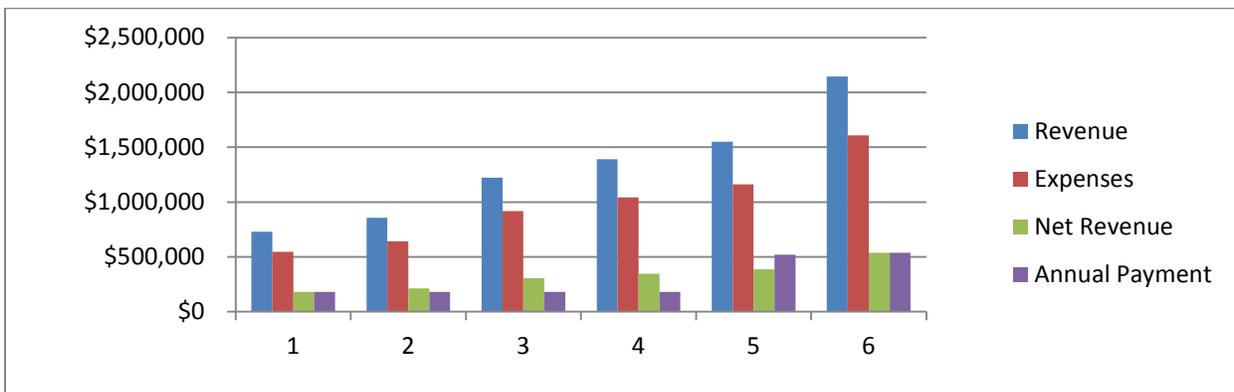


Landerman-Moore Associates

Note: Seasonal amounts based on \$3,710,000 annual gross retained revenue after ten years operation.

Chart "H"

**Island Event Center Development Authority
Revenue, Expense, Net Revenue & Annual Bond Payment
(Operating Years One through Six)**

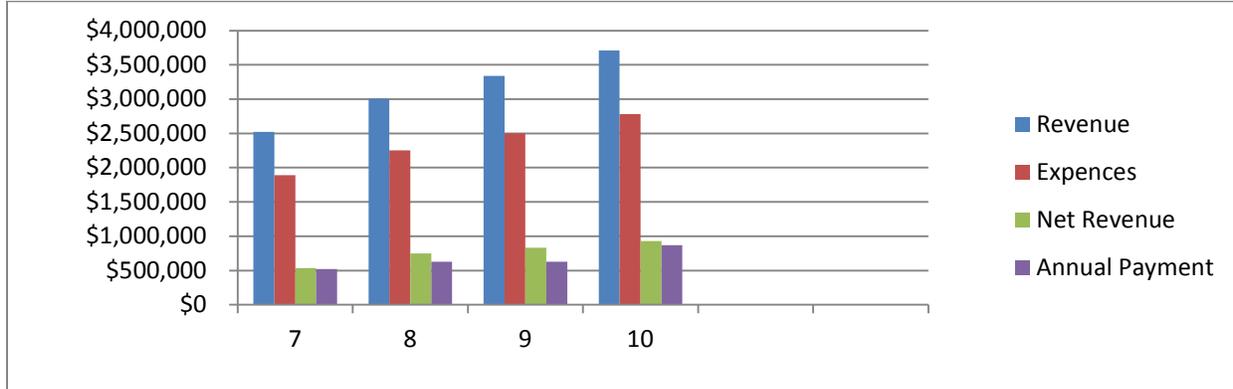


Source: Landerman-Moore Associates

Note: Seasonal revenues are projected at build-out of improvements and stabilization.

Chart "I"

**Island Event Center Development Authority
Revenue, Expense, Net Revenue & Annual Bond Payment
(Operating Years Seven through Ten)**



Note: The first five years of debt service for Bond Issue No.1 is projected to be \$211,891 annual. Upon Bond Issue No.2, the annual debt service increases to \$520,663. Annual net reserves from operating year two through four will need to be available to cover debt service in years five and six. Upon Bond Issue No. 3, in year eight (8) of operations, the annual debt service will increase to \$627,810. It is projected that sufficient net revenues will be available to serve debt through years seven, eight, nine and ten when Bond Issue No. 4 is secured. Upon Bond Issue No. 4, the IECDA annual debt payment will be \$868,146 with about \$60,000 in reserve. Five years after bond issue four, debt service will decline. Within 25 years, all bonds are to be paid.

Table 48

**SUMMARY
Island Event Center**

Revenue Bond Financing Debt Service

(Based on 15 year bonds at 3.5% interest with 1.25 debt service coverage ratio)

| Sequence | Bond Issue | Net Revenue Required | Annual Payment |
|--------------------|-------------------|-----------------------------|-----------------------|
| One (Year One) | \$ 2,469,565 | \$ 265,000 | \$ 211,891 |
| Two (Year Five) | \$ 3,599,389 | \$ 385,000 | \$ 308,772 |
| Three (Year Eight) | \$ 1,248,519 | \$ 134,000 | \$ 107,147 |
| Four (Year Ten) | \$ 2,806,574 | \$ 300,000 | \$ 240,336 |

Source: Landerman-Moore Associates; Janus Capital Group; Vanguard Group, Incorporated

Annual debt service is based on a 3.5% interest rate with a 1.25 debt service coverage (DSC) rate which is typical for A or AA rated tax-exempt bond issues. All bond terms are 15 year and debt payments are stated in annualized amounts.

Capital debt may be adjusted by federal or state grants or loans. If projects qualify for no interest loans, such financing instruments may also reduce debt and payments. Other adjustments may occur as a result of lower materials and labor costs, through a competitive bidding process and donated funds, materials and labor.

Financing Methods

Financing methods and the funding strategy engages the IECDA in issuing bonds, securing grants, receiving donations and applying several traditional financing tools. The initial “Start-Up” effort is focused on first year operations and maintenance, and initial staffing and office set-up, and funding Development Sequence One. Capital financing and related debt service is linked to the development sequences implemented over a 10 year period. However, it is projected that five years of operational growth will be required before the IECDA is in a position to launch Development Sequence Two. Responsibility for securing capital and operating funds is primarily that of the IECDA with the cooperation and support of Island County.

Pursuant to RCW 35.21.735, the Island Event Center Development Authority (IECDA), may issue tax-exempt revenue bonds. Capital project revenue bonds are often backed, at least initially, by the County through a contingent loan agreement or guarantee. If a contingent agreement is, in fact, established, it need not be subject to constitutional or statutory debt limitations. However, the IECDA must take into account federal tax laws when using or applying tax-exempt bonds, and have agreements in place with Island County.

Other financing methods include grants, loan guarantees, cash donations, certificates of deposit, other bond instruments and commercial loans. (See Technical Memoranda No. 5) The suggested financing instrument applied to capital improvements and operational demand is Revenue Bonds.

Each development sequence has a capital budget objective. As facilities are incrementally improved, operating revenue and retained earnings is anticipated to grow sufficiently, at certain points in time, to undertake additional debt. As net revenues dedicated to debt service mature, additional development phases may be implemented. Such improvements enhance earnings and thus debt service capacity.

For example, the first capital improvement sequence requires a \$2,469,565 (\$2.5m) bond issue for a term of fifteen years. The first bond capitalizes development of Market Place and other facilities within the project envelope. After completion of construction of the first sequence (about 10 months), and by the first five or six operating years, retained earnings should be sufficient to implement Development Sequence Two, Exposition Center. The projection indicates that by year six, between \$347,500 and \$536, 250 should be available and dedicated to debt service.

However, the margins of achieving debt service capacity to qualify for the second bond issue is extremely narrow in that the combined annual debt payment would be \$520,663. Thus the IECDA will need to save retained earnings balances from operating years one through year five to meet debt service coverage by year five or six. Sometime within the succeeding two to three years, years seven and eight, gross revenue should be sufficient to issue the third bond and so forth until year ten when the fourth development sequence is scheduled to be implemented.

When ten years of capital improvements are implemented and production/revenue growth has been completed, economic stabilization should be realized. Over the ensuing five to twenty years, as debt sequentially diminishes, the IECDA can invest more heavily in production and marketing efforts thus continuing to grow event use, patronage, per-capita values and economic performance.

The following table indicates bond issue amounts, annual payments and the total debt incurred as the 15 year bonds are sequentially retired. Debt service amounts are based on 3.5% interest, 15 year term and debt service coverage of 1.25 times the bond issue amount.

For a better understanding of the financial dynamic that occurs over the ten year period, please refer to Charts "H" and "I" above. As can be seen, the projections show that operating years 5, 6, and 7 are the most critical in terms of debt service capacity and progressing with the capital development program to its completion.

Table 49

Island Event Center

Revenue Bond Financing Debt Schedule

(Based on 15 year bonds at 3.5% interest with 1.25 debt service coverage ratio)

| Sequence | Bond Issue | Term | Annual Payment | Total Debt |
|--------------------|---------------------|-------------|-----------------------|----------------------|
| One (Year One) | \$ 2,469,565 | 15 years | \$ 211,891 | \$ 3,178,365 |
| Two (Year Five) | \$ 3,599,389 | 15 Years | \$ 308,772 | \$ 4,631,580 |
| Three (Year Eight) | \$ 1,248,519 | 15 Years | \$ 107,147 | \$ 1,607,205 |
| Four (Year Ten) | \$ 2,806,574 | 15 Years | \$ 240,336 | \$ 3,605,040 |
| Totals: | \$10,124,047 | | | \$ 13,022,190 |

Source: Landerman-Moore Associates; Janus Capital Group; Vanguard Group, Incorporated

Annual debt service calculations are based on a three tenths point average higher rate than the present 3.2% prime rate with 1.25 debt service coverage (DSC) rate which is standard for the bond/commercial loan industry. All bond terms are 15 year and all debt payments indicated above are annual.

Capital debt amounts may be altered by federal or state grants. If the projects qualify for federal loan guarantees or no interest loans, such financing instruments may also reduce overall indebtedness and annual payments.

The economic performance analysis indicates that after ten years, stabilization should be realized. At that point, the Island Event Center Development Authority (IECDA) may achieve \$933,175 in net revenues dedicated to complete servicing capital debt. Incremental sequencing of capitalization, development and economic performance will determine success of IECDA. The ten year development window for development and renewal of the property appears sufficient to implement the improvements presented in the Strategic Plan.

However, it must be noted that the IECDA could not undertake a \$10,124,047 capital debt for a 15 year bond. The 1.25 minimum debt service coverage could not be met and the net revenue dedicated to debt is insufficient. Thus incremental, "staggered" or extended term of financing over to a 25 year period will need to be administered as an overall capitalization program.

Implementation

The **FIRST** step in advancing implementation is adoption of the Strategic Plan with the understanding that it serves as a stratagem or road map that, not unlike any pathway for business development, there will be bumps and curves and obstacles. However, the prospect of success is significantly enhanced if the strategic plan is addressed as a working document and is used, consulted and amended, as may be necessary, to suite conditions as they mature over time.

The **SECOND** step is for Island County to draft, and adopt an ordinance creating a Public Development Authority to be named the “ISLAND EVENT CENTER PUBLIC DEVELOPMENT AUTHORITY” (IECDA), or some other appropriate title if determined satisfactory or appropriate to the Island County Commissioners. The organizational structure identified in the strategic plan serves as an overall guide for formation and function. However, staffing the IECDA will need to occur incrementally beginning with the Selection of a Board of Directors, selection of an Executive Director and an executive assistant and other key managerial staff.

Funding the initial start-up and first operating year of the IECDA may be accomplished through one or more of the following options:

- **Bond Anticipation Notes:** Bond Anticipation Notes (BANs) are used to obtain financing for projects for which bonds are authorized but not yet issued. BANs permit issuance of debt in increments as work on a project progresses and before some or all of bond proceeds are made available.
- **Commercial Paper** - Commercial paper combines financial management techniques used by corporations with the borrowing authority granted to public entities. Commercial Paper may be used instead of or combined with short-term notes to provide short-term borrowing to cover cash flow deficits.
- **Quasi-County Financing Vehicles** - A facility associated with a county could be financed on a tax-exempt basis without the county directly issuing the debt. For example, the county establishes a public development authority. A Public Development Authority (PDA's) is a quasi-public entity that has authority to issue bonds. Additionally, a 501c (3) organization could issue bonds on behalf of a county and these bonds would be tax exempt.

The **THIRD** step requires the IECDA execute a 30 to 50 year lease agreement with Island County at a lease value equal to 1% of net after tax retained earnings for the first five years and a graduated lease payment thereafter for the term of the lease. The IECDA will need to establish a sub-lease or use agreement with the Island County Fair Association, and review, revise and execute all use agreements currently in place with existing event producers, organizations and individual users of the property. It is suggested that a lease or use agreement with the Island County Fair Association be a \$1.00 per year lease for the first two (2) years. Then the lease should be amended with a graduated remuneration based on an annual fixed amount or percentage of revenue.

The **FOURTH** step requires the IECDA to establish the first development sequence tax-exempt revenue bond issue. The IECDA's responsibilities include managing the design, project bidding, construction, furnishing and equipping of capital improvements. Simultaneously, the IECDA must initiate an aggressive marketing campaign to establish identity and name recognition or "Brand" and attract event producers. The IECDA must also clean make minor repairs and maintain the remaining structures un-affected by Development Sequence One and market them for events and uses.

In correlation with the third step, the IECDA must establish the Island Event Center Foundation, IECF and form its Board of Directors and staffing, mission statement, By-Laws and rules. The IECF will need to work quickly to secure regular membership and select members of the "500" Club to assist in funding IECDA operations and/or capital requirements, and to create sponsorships, scholarships and awards programs that extol community benefits and public service capacities of the IECDA.

The **FIFTH** step requires that the IECDA, in partnership with the Island County Economic Development Council, must prepare and submit project proposals, utilizing the Strategic Plan as a basis for grant funding under the Economic Development Administration, US Department of Commerce Public Works program, The United States Department of Agriculture and Washington State agencies with grant authority and programs that fit IECDA business and economic development objectives.

The **SIXTH** step is to begin the process of identifying event production opportunities wherein the IECDA acts as producer and/or co-producer of revenue generating events that utilize all available facilities. Additionally, the IECDA will need to establish public service programs and qualify such programs on the basis of actual public benefit, need and community benefits as well as cultural development opportunities.

The **SEVENTH** step is to establish a public relations process through social media and traditional marketing tools. The executive staff of the IECDA will need to consider their participation in civic organizations, educational institutions, service clubs and partner, were appropriate with other organizations to expand awareness and identity of the Island Event Center and its capacities to help grow business and commerce, and facilitate the needs of public purposes.

In this regard, the IECDA should make every effort to provide event participation opportunities to local and area merchants, service providers and institutions of government, education, service clubs and religious organizations. The outreach and inclusive approach in hosting events and activities, such as are listed in the strategic plan, will foster economic, social and cultural values for all involved.

* * * * *

Technical Memorandum No. 1

Off-Site Parking

Perhaps the most critical operational element of the strategic plan is patron parking. Parking is considered the “life blood of any event center. Proximity of parking and patron access venue production areas is key to event sizing, attendance and related qualities including, most importantly, economic performance.

The only property adjacent to the site that holds potential for parking vehicles is owned and managed by the Langley School District. The 2.2 acre parcel, which parks about 250 vehicles, has a history of parking use over the years during the annual Whidbey Island Area Fair. The arrangement between the Island County Fair Association and the School District has been informal and based largely on mutual benefit wherein the District retains parking revenue and the Association realizes greater attendance than would otherwise be experienced without the additional parking.

In order to ensure long-term success of the Island Event Center, it is essential that a formalized agreement be established by and between the Langley School District and the Island Event Center Development Authority. In order to provide guidance as to an approach for formulating such an agreement, the following Memorandum of Understanding (M.O.U.) is offered as an initial step in engaging in the formulation process.

Memorandum Of Understanding By and Between The Langley School District & Island Event Center Development Authority

Whereas; A mutual benefit would appear to exist, in terms of education, cultural values and economic development, to consider a formal arrangement between the District and the IECDA for the alternative use of District property for event parking, and

Whereas; The IECDA has established a reasonable basis for requesting the right of use for parking, including direct and indirect economic benefits to the District, the community of Langley and Island County, and

Whereas; The social and economic well-being of the general population would appear to be the end beneficiary of establishing such an agreement,

Now Therefore; It is agreed and understood the District and IECDA will enter into formal discussions, in good faith and with diligence, to form a use agreement that establishes public parking specific to events and public service programs held at the Island Event Center, and

That; Such an agreement shall be for a term and with conditions that mutually protect the interests of each party and shall articulate duties, responsibilities, specific benefits, including financial, that may be established as part of the agreement.

Now Therefore Be it resolved that the parties signatory hereto do ratify this Memorandum Of Understanding on this the ____ day of ____ 2014.

Langley School District

Island Event Center Development Authority

Date: _____

Note: This M.O. U. is a suggested draft to be use as a concept document with language that may assist in initializing the process of forming a lasting agreement that will work well for the District and The IECDA.

Technical Memorandum No. 2

Emergency Coordination, Response & Recovery

The Puget Sound Catastrophic Disaster Coordination Plan may apply to all public, private, Tribal and non-profit entities encompassed within the boundaries of Island, Skagit, Snohomish, King, Kitsap, Pierce, Thurston and Mason counties. The Puget Sound Coordination Plan also serves as a reference for determining how and in what manner the site may function in a support capacity for catastrophic incidents that may concurrently challenge multiple counties or communities within Washington State as provided under RCW Chapter 38.52.

A set of issue-specific Annexes supplement the Coordination Plan and provide more detail about critical regional emergency response functions. Each Annex must describe:

- How the affected area communities, applicable mutual aid systems, State and Federal agencies coordinate to respond to a regional emergency or disaster; and
- The roles and responsibilities of agencies and organizations associated with each Annex. Counties included in the Puget Sound Regional Catastrophic Disaster Coordination Plan include:

| | |
|-----------|----------|
| Clallam | King |
| Jefferson | Pierce |
| Grays | Lewis |
| Harbor | Mason |
| Pacific | Thurston |
| Whatcom | Island |
| Skagit | Kitsap |
| Snohomish | San Juan |

The Island County fairgrounds, to become the Island Event Center, is, geographically, a potential strategic resource that may serve anticipated and unanticipated demands for response and recovery to natural and man-made catastrophic events. In its present state, however, the site should be considered a latent resource for designation as part of the Puget Sound Catastrophic Disaster Coordination Plan family of services. If implemented, the facility would need to function in the following manner:

1. Establish alternate Incident OPS Center, in areas likely to remain safe and unaffected by the incident.
2. Facilitate coordination and communications capacity with local, state, and federal responders.
3. Conduct victim triage and decontamination and provide mass care shelters, health and human services, and provide safe refuge in facilities likely to remain unaffected by the incident.
4. Facilitate space for medical field treatment units and medical services.
5. Facilitate mass prophylaxis operations.
6. Provide for multi-agency staging (warehousing) and distribution of equipment, supplies and personnel.
7. Establish an alternate communication hub for the EOC and local emergency managers including WAVOAD and HAMM radio operators.
8. Establish alternate Coroner mortality operations.
9. Establish a quarantine site.
10. Establish animal housing and animal care support services.
11. Facilitate food and clothing donations management and distribution.
12. Facilitate emergency public information, and victim support and recovery services.
13. Provide space for multi-agency training programs (pre- and post-disaster)

The Island Event Center represents a potentially effective resource to participate in disaster coordination and staging. Objectives and procedures are stated in the Puget Sound Catastrophic Disaster Coordination Plan.

See: www.seattle.gov/emergency/library/CoordinationPlanFinal.pdf

Additional information is articulated in the DHS Mission & Objectives Statement, and by the State of Washington Emergency Management Division and local emergency response agencies. Functional tasks of such a designation are stated as follows:

1. Organize an Operations & Management Plan that addresses multi-agency response, coordination and logistical functions specific to the activation and operational requirements of the Regional or Area Disaster Coordination & Staging Center.
2. Establish site and facilities requirements for, and in the event of a high impact terrorist attack or natural disaster in Puget Sound that collectively serve resident and traveling populations.
3. Upgrade infrastructure, facilities and communication systems to a level of operational capacity that supports specific emergency services demands as defined by local and state government, Department of Homeland Security, FEMA and Washington State Office of Emergency Management, and other state and federal services and military units.
4. Implement specific capital improvements with Federal and State funding designated for purposes that will meet the objectives of emergency responders, enhance production and operations of Fairs and supports on-going training and other public service programs.
5. Mainstream the Island Event Center into the regional logistics and emergency management correlation structure. Establish an alternate Emergency Operations Center (EOC) that can be immediately activated in event of a disaster event.
6. Correlate local and regional transportation, utilities, water and other public service assets to establish use and/or deploy. Provide equipment and support services in the event the site is activated as a Disaster Coordination & Staging Center.
7. Provide a suitable location to facilitate the demands of an “alternate governance center” for local and State administrative operations.

Technical Memorandum No. 3

Island Event Center Foundation

A key element in financing start-up and serving as an on-going philanthropy arm to the Island Event Center Development Authority, a Foundation is to be formed and titled the "Island Event Center Foundation" (IECF). It would be created as a charitable 501(c)(3) Corporation with a President, executive assistant and Board of Directors.

Regular membership and participation in the IECF is to be open and available to the general public. Regular association memberships shall be created for the purpose of establishing broad based support group that become a "word-of-mouth" marketing tool. These are people, businesses and institutions with interests in the Island Event Center, the social, cultural, historical and economic assets and well-being of the Island and Pacific Northwest region. Charitable functions are to be facilitated on a continuing basis to benefit youth, provide social services, education scholarships and extol historical and cultural values as well as promote tourism and economic activity.

The regular membership status shall be established on the basis of a nominal annual subscription fee beginning at \$50 and up to \$250 which provides access, newsletters, publications and other information relevant to special programs, events and activities organized by the IECF and which is conducted at the Island Event Center.

Regular Association members shall be invited, periodically, to make contributions to the IECF for special projects, scholarships and awards programs specifically linked to the work and programs undertaken by the Foundation. Regular members may be selected to participate in the activities of a particular event or as IECF volunteers and provide in-kind support for the programs, operations and maintenance demands of the Island Event Center. They may also be recognized for community service as a member of the IECF.

“The IECF 500 Club”

The non-profit corporation to be named the “Island Event Center Foundation” or shall be empowered, through its by-laws and articles of incorporation, to create what may be called the “IECF 500 Club”. This membership status will be structured to serve as the principal funding mechanism, and for advertizing, marketing, program development, capital improvements, social or cultural services, public relations, scholarships and as a Island Event Center Development Authority operations support group.

Membership in the “IECF 500 Club” shall be available to individuals, corporations and public institutions on the basis of a minimum \$1,000 and up to \$10,000 annual membership fee. Membership fees and services shall be tax-deductible and used to support the programs, projects, events and operations that emerge through the efforts of the Island Event Center Development Authority Board of Directors, and the IECF general membership.

A standing executive committee, constituted with two (2) members of the Island Event Center Public Development Authority Board of Directors and five (5) members of the IECF “500 Club”, shall be organized for the purpose of review of all fund raising programs, activities and related expenditures of funds generated through membership fees or fund raiser activities and to make its annual recommendations for the distribution of such funds to the Island Event Center Development Authority Board of Directors.

It is essential that the IECF be established with strong leadership in terms of experience with Foundations and with an interest if economic development and community service. The IECF will, as proven for many venues in the United States, including fairs, be a valued partner in advancing the development, operations and sustainable future of the Island Event Center and the Whidbey Island Area Fair.

Technical Memoranda No. 4

Festivals & Event Marketing

Trends & Tools

Even though the economy is “swimming” against a stiff current, it does not always mean lowered event attendance. What is, and always has been, required is a good hard marketing push to pull in the crowds. Three festival and special events marketing experts show us how they use everything from super-popular Facebook to still-relevant print, media and direct mail marketing to do just that. Here are some examples.

Music, Food & Drinks Festivals

THE PULL: Music, food & beverage festivals with multiple stages and performances offering musical options ranging from jazz, gospel, rock, and rhythm and blues to Latin and African music, delectable foods and a variety of beverages are extremely popular and draw millions. From performance headliners to start-up’s and relatively unknown locals, this class of festival, which dates back to the 1960’s, represents a solid growth business if effectively located, programmed and marketed.

THE PUSH: According to Louis Edwards, associate producer of promotions, “Festival's Web” sites and social media is the most aggressive Internet-based marketing tool”. He stresses, however, it's mainly a source of information. “With festival events promoting music, food and drinks, getting too creative without being confusing is easily done.” Louis says; “Strive for simplicity and clarity.”

Beyond use of the Internet, festival organizers should rely on good, old-fashioned print and radio advertising, both locally and in metropolitan areas. In fact, paid advertising has “proven extraordinary,” according to Edwards. These marketing techniques help reach outside metro-areas to out-of-towners, who may make up roughly 20 percent of attendees, coming from other states and countries. There continue to be success with print and radio, to the extent that new marketing mediums, such as Facebook and Twitter, remain in development stages. However, now that these social networking tools attract older crowds and are more in sync with festival's demographic, producers are urged to consider using them. In fact, not to use them would be a serious mistake.

COUNTRY COOKING

THE PULL: The Charleston Food & Wine Festival in Charleston, South Carolina, saw 22,000 guests in March of 2013. The four-year-old event, which also doubles as a nonprofit fund raising organization, is devoted to all things gastronomic, as well as burnishing Charleston's culinary and cultural reputation.

THE PUSH: Despite the slow economy, 2013 marked the most successful year to date for festival attendance, charitable giving and ticket sales. Still, "We are being optimistically cautious in our planning of the 2014 event," says Ericka McMillan, the media/marketing manager.

Festival organizers cast a wide marketing net by using a myriad of tools. Public relations, the Web, grass-roots campaigns, e-mail, and "guerilla" marketing, and social media all play a role in getting the word out. McMillan finds social networking especially useful because it's instant and can drive people to the festival's Web site. For example, McMillan once tweeted: "Just posted the release about the '13 festival's green efforts." The tweet then directed followers to a press release posted on the Web site. "Social media allows me as a media professional to have direct access to media if they are following me," she notes, and lessens the chance of a press release getting lost in an overloaded inbox.

Even direct mail has its place. It's still one of the better ways to reach the festival's target audience of middle-aged affluent households, nearly half of whom come from more than 50 miles distant. McMillan likes direct mail because it can offer "a comprehensive overview of the event, and has a longer shelf life and is often easier to track or follow."

But of all her marketing tools, McMillan feels the festival's Web site is the strongest. It's instant and directly measurable. And, all things considered, it's the place that all the other mediums point back to.

SENSE THE SENSATION

THE PULL: The Los Angeles-based **Extravaganza for the Senses** food and wine event, which benefits the Saban Free Clinic, draws a crowd every July with its impressive array of top-notch local restaurants offering tidbits and specialties from their menus. Now in its 16th year, the festival attracted over 2,500 attendees in 2012 with tickets averaging \$125. The event is a fund raiser with a targeted audience.

THE PUSH: “We are working harder this year to get the word out about the event,” notes special events associate Lenna Vanerian. This means using Facebook, MySpace and Twitter networking sites. Posts to these sites inform followers and friends when tickets are on sale, when a new restaurant signs on and what raffle prizes are on tap.

In addition, organizers use the online marketing tool *Constant Contact* to create what is called “E-blasts” and online surveys at minimal cost. The team prefers the tool over using a regular e-mail provider for ad-blasts because *Constant Contact* can track who opens the e-mails, who forwards them and more. Still, *Extravaganza for the Senses* doesn't shun other less Web-centric marketing tools. “We are also taking advantage of low printing costs to print brochures as pass out material”.

Despite all the marketing tools at their disposal, Vanerian says the event crew finds **word of mouth** to be the most valuable. As Vanerian puts it, “People are more likely to try something that they have heard good things about firsthand.” This “word of mouth” marketing translates to **social media** and instant marketing at no cost to the producer or venue owner.

(See Part 2 of Technical Memoranda No. 4)

Technical Memoranda No. 4 Part Two

45 Ideas for Marketing Festivals and Events

The date is set. The venue booked and now you just need to get people to show up. Worried? May just a little? Well...try not to be. Here's a list of 50 event marketing tips. You don't need a big advertising budget or celebrity endorsements to make this work. Just use this list as part of your event marketing plan.

THE EVENT PAGE OR WEBSITE

In today's digital world, a cornerstone of all promotional efforts is the event page or website. This could be a page or website specific to the site and/or the event. Either way, make the website effective by including all of these elements:

- 1. Compelling Description:** Clearly indicate the topic, time, place and who (what demographic) should attend. The description should include specific benefits for each type of attendee. Make it brief, graphically appealing and scan-able. Use third-party endorsements when possible, such as a quote from a previous event.
- 2. Pre-Event "Curation" of Content:** Curation of tangible content leading up to and/or during the event for event attendees to take away (this could be videos, photos, t-shirts or just about anything) is an essential marketing device, particularly for building repeat patronage. Done right, this can add to the buzz leading up to the event, tap new audiences for attendees and keep the event property top of mind to departing attendees. Content is about capturing great memories!
- 3. Speaker/Performer Pictures and Bios:** Great speakers and performers draw crowds like a magnet. The event page should show their faces and list their credentials and offer links to testimonials and history.
- 4. Event Image:** The event image will appear when the page is shared in social-media networks and other televised media. It could be the iconic event logo, an image, and picture or graphic that resonates with the targeted market audience.
- 5. Event-Related Videos:** Create simple video interviews or event highlights, or segments of speakers and performers, and post them. These can be produced quickly

using Google Hangouts or Skype or other media tools. Professional assistance is always helpful but it is easier than you think and very effective.

6. Prominent “register or buy a ticket now” button: Without a clearly visible button and a call-to-action, you might not get any action. Make it convenient without being pushy. Also, consider Pre-Event Email. If you have marketing list, that may be your best channel. If you don’t, ask partners, speakers, performers or friends to mention the event in their emails (see “Affiliate Partners” below). Regardless of the list, use these event email marketing guidelines:

- **Subject line:** Subject lines that inspire awe or excite lead to higher “open” rates. Studies have shown that subject lines with lukewarm emotional content are less likely to be opened. Try a subject line such as “*10 things you’ll miss if you aren’t at this event*”
- **Send during the weekend:** Consider sending an email on the weekend. Since few companies do it, open and click through rates may be higher. And when possible attendees see it on a weekend, they may feel less stressed for time and more willing to commit a few hours to your event. They may be in a social mood and even invite a friend.
- **Video thumbnail:** Show a clickable image of a speaker interview video in the email. Video thumbnails in emails can improve click through rates.
- **Social proof:** If you have positive feedback from previous events or credentials for the performers or speakers, use them as quotes in your emails.
- **Send and send again:** Plan to send an event marketing email several times. For large events, email once a month, three months in advance, to announce the speaker lineup and to announce early-bird registration discounts.

Note: Email just before any discount offers end, and again as the event approaches. Finally, send an email a few days before with reminders of time, place for registration or tickets and a final pitch.

PRE-EVENT SOCIAL:

Most all festivals and events are social occasions. So of course, your event marketing should use social media. Here's how to promote the event with social media and blog posts:

7. The Hashtag: Pick an event hashtag that's short, and ideally, unique to your event. You're going to always use this hashtag in every tweet and post.

ProTip: If you're using Eventbrite, you can even use it in the address of the registration page as the sub domain. For example, Orbit runs a monthly event called "Wine & Web". The hashtag is #wineweb and the registration page is wineweb.eventbrite.com.

8. Links in Social Media Bios: Usually you're Twitter, Facebook and LinkedIn bios will link to your website. But when you're promoting a big festival or event, consider changing these links so they send visitors *directly to the event page*.

9. Find relevant people on Twitter: Use Twitter Advanced Search to find people who are interested in your topic and live nearby. Mention them in tweets about the event or tweet to them directly with a friendly invite.

10. Tweeeeeet! Unlike email, most tweets are missed as they flow through the social streams of your potential audience. *So tweet early and often*. Here's a list of reasons to tweet before the event. Many of these tweets can be scheduled far in advance, using tools like HootSuite or Buffer.

- Registration or Gates opening times
- Early-bird tickets or registration is ending soon
- Countdown: "Just X days until the event!"
- Reminder of time and location
- Thank your sponsors (mention sponsors)
- "Just saw Jane's presentation. Wow!" (mention speakers and performers)
- "See you at the event!" (mention registrants or ticket sales)
- Thanks for sharing, posting and re-tweeting (mention anyone who shared)
- Tweets with a testimonial quotes about a speaker (find these on LinkedIn)

- Tweet to the pre-event blog post using a quote from the interview. (mention the speaker or performer)
- “Thanks for ticketing or registering! See you there!” (mention registrants, especially social media influencers)

11. Follow the People: After the tweets, follow a few people who may show an interest in your event. When you follow someone, you might get their attention and they may give expanded notice of the event. It’s best to follow people when you have a compelling event or festival promotion tweet at the top of your media stream.

12. Post the event on Facebook, LinkedIn and Google+: Make sure that the image from the event page appears. Mention speakers or performers, encouraging them to share it with their networks. Post again with videos and remind people of registration and ticketing deadlines.

13. Registration thank you page: On the thank you page after registration process, offer to let them share the event on social media. The tweet will announce that they’re going and include the hashtag and the link to the registration page. Use a Click link to make this easy for users.

14. Registration auto-response Email: Once people register or ticket, they’ll receive an email. Use this as an opportunity to suggest they follow you on Twitter. Don’t forget to mention the hashtag.

15. Other auto-response Emails: If your website can send people an email when they submit a contact form, add a link to the event here.

16. Cross the streams: If you find that you’re getting traction on one social network, but not others, move the conversation around. If someone shares something on Facebook, thank them on Twitter. If someone mentions the event on Google+, say hi to them on LinkedIn. As you can see, it is essential to consider a lot social media activity, taking advantage of any excuse to connect, mention, post, tweet and link.

PRE-EVENT BLOG POSTS:

17. Write a pre-event blog post: A week in advance. Like videos, facilitate an interview with one or more of the performers or speakers. Email interviews are an efficient way to product content quickly. Just send a list of questions and post the answers when the speaker sends them back. Insert photos to this post.

18. Invite speakers or performers to write guest posts: Speakers or performers often recognize that although this takes a bit of time, there are social media benefits to guest blogging. If they do write something for you, about your event, encourage them to share that content with their networks.

ProTip: Do a guest blog post exchange with a speaker or performer. Here is an example of how a Content Strategy event was promoted with two guest posts: One is written by the performer and posted on the event site, another is written by the event organizer on the speaker's blog.

WORKING WITH PARTNERS:

19. Photo and video partners: If you don't have the budget to hire professionals, offer free admission (or even a table in the event space) to a pro-photographer or videographer in exchange for services. Make sure they commit to providing you with assets in a reasonable timeframe and the quality you expect. Make sure you give them good exposure in exchange for their time.

20. Standardize presentations: Create a standard Power-point template and share it with your speakers. It may only be two slides (a title slide and an interior slide) but it will have fonts and colors that match the event theme. This will help things look good later; when you share the presentations after the event (see Post-Event Email below).

21. Affiliate partners: Create a unique promotion code for each partner, performer and speaker. They can use this code when they promote the event, offering an approved discount to people in their social networks. Since the code is unique to that partner, you'll know how effective that partner was at promoting the event. Now you can consider paying a referral fee to the partner responsible for those ticketed or registered

patrons. Incentivize others to market the event for you as “affiliates” with promotion codes. This can be very effective!

22. Pre-written tweets: Don’t just encourage your sponsors, partners and speakers to help with promotion, *make it easy for them*. Write a list of compelling tweets and send them along in an email. Now they’re more likely to help and less likely to use the wrong link or hashtag.

23. Pre-Event Gala: Invite performers, speakers, sponsors, influencers and members of the press for a night out gala, dinner or “*taste of the event*” before the event. This is a chance to bond and have some fun. If you try this, you’ll likely find people referring to the dinner conversation during the event. “We were just talking about this the other night...” Strong personal connections often lead to better cohesion on the big day. Submit information about the Gala to Media and Industry Websites

24. Submit to local media outlets: Many media sites, especially the hyper-local news sites, let you post events. Find these by searching Google for “event calendars” in your city.

25. Submit to Industry Associations: Industry and trade associations may also allow you to submit. If the event is relevant to their audience, ask if they will accept post or promote events from outside organizations. Chambers of commerce is often happy to promote events relevant to their members, especially if the organizers are members themselves.

26. Keep the Press Informed: There are likely local and regional journalists who cover events and festivals. Look beyond your local media market. Find them by searching for similar events in news websites and articles. Then graciously contact them with an invite, press badge or offer of a relevant event article. This could be an interview with a performer, speaker or a distinguished guest blog post from you for their website. If you successfully get their attention, you may get a bit of great press with expanded readership!

SEARCH ENGINE, OPTIMISE EVENT PAGE:

People may be looking for your festival or event right now! Follow these basic instructions to search optimize the event webpage or the Eventbrite registration page.

27. Target a Keyword: First, choose a relevant word, a keyword. The target keyword should *combine the event topic, the word “event or festival,” and the name of your city.* For tips on finding more specific keywords, take a look at this post: [**How to Research Keywords.**](#)

28. Title Tags and Headers: Use a title tag and header that include your target keyword. In the title tag, it’s best to put the name of the event last, so the keyword appears first. This helps indicate relevance to Google or Bing. *For example, an event for veterinarians in Texas may benefit from a website with a title tag such as “Veterinarian Event in Dallas – PetCon Dallas.”*

29. Search-friendly Description: The event page should have a nice, detailed event description, which includes the keyword several times. If it’s long, break up the text into short, concise paragraphs. Use lots of formatting, including headers, sub headers, internal links, bullets, etc. You can find more advice at [**SEO checklist.**](#)

30. Linking: Links are important for search engine rankings, so make sure to link to the event page from other pages on your site including older blog posts. This will guide visitors to the page, but also help search engines know that the page is relevant.

DURING THE EVENT OR FESTIVAL:

Live tweeting during events is a huge opportunity for event promotion and attracting patronage. Registrants or ticketed persons will be watching the hashtag, so fill that stream with interesting and exciting content.

31. Tweet Quotes: Listen for juicy nuggets in performances, crowd conversations and in presentations. Mention the person who said it, if possible, and use the hashtag.

32. Share Pictures: Make sure to take pictures of people, speakers and attendees, as things are happening and share them on Twitter. Smart-phones make this easy. Mention people and use the hashtag.

33. Hold a Contest or Drawing: Even if you're giving away something small, like a gift or prize from a sponsor, use this as an opportunity to gather email addresses (with permission of course) and then share a picture of the winner holding the gift on the social networks.

POST-EVENT BLOG POST

The end of the event isn't the end of marketing. After the event, follow up with activities that will make your next event an even bigger success. Event recap blog posts are often easy and fun to write. Post them on the event site or submit them as a guest post to a relevant blog or regional industry or association website. The post can include all kinds of relevant content even if it was a less than successful event.

34. Summary of Presentations and Performances: These summaries can include quotes of positive feedback from exit or "on the street interviews" or a follow up survey or brief questionnaire posted to the website.

35. Speakers' and Performers Presentations: As with the photos, its ideal if the presentations are embedded into the event site or blog post using a tool such as Slideshare.

36. Gallery of Event Photos: Ideally, these galleries are embedded into the event site or recapped on blog posts using tools such as Flickr. If so, you'll be sending traffic to your site, rather than a photo sharing website.

37. List the "top tweets" from the event: These are easy to find if you used a hashtag. It's even easier with Storify.

38. List the speakers, sponsors and attendees: List.ly is a very social way to build lists and embed them into a website. This kind of list may help attendees find each other afterwards and get a better networking benefit from the event.

POST-EVENT E-MAIL: The email follow-up to registrants is a way to say thank you, share important links and keep a bit of the buzz going...until next-time!

39. Link to a Survey: Surveys are a great way to get feedback, but they're also a way to gather testimonials that you can use for future events.

40. Link to Post-Event Blog Posts: Since you already gathered up your best content and posted it, linking to it in these emails should be easy.

41. Invite patrons and Concessionaires to follow you on social networks: Some of your patrons may not follow you yet. Never miss a chance to promote your social media accounts, even with concessionaires and vendors and performers!

42. Invite registrants to be notified of the next event: Some of your registrants may not be subscribed yet. Provide a link to your **email signup form** to grow your list and promote your email marketing.

POST-EVENT SOCIAL:

It's time to share stories, say thank you and stay connected.

43. Thank you tweets: Show your gratitude after the event by thanking the speakers, sponsors and attendees in follow up tweets and posts. This is good for networking.

44. Post photos: Put a few of your best photos on Facebook and Google+. Be sure to tag and mention people.

45. Keep sharing: In the days and months after the event, listen for tweets, mentions and blog posts from others. Hopefully, the hashtag makes this easy. When you see these mentions, share them!

Technical Memorandum No. 5

Financing Methods

- **General Obligation Bonds** - Used for development of public facilities such as in a special area where there are requirements for infrastructure to allow development to progress for public facilities. Funds may be used for revenue generating projects which retire the debt on an accelerated basis, however, the bonded debt remains with the taxpayer. Under a voted general obligation bond, voters would authorize a county issue the bond and simultaneously authorize the county to increase taxes to pay debt service. To be approved, the ballot measure must receive a 60% approval and the total number of "Yes" votes must at least be equal to 40% of the number of voters who voted in the most recent general election. State law limits general obligation bonds that a county can issue to 2.5% of the county's assessed valuation.
- **Revenue Bonds** - Revenue bonds encompass a broad category of financing mechanisms. For the purposes of project development revenue bonding procedures may be used based on authorizing statutes or based on lease hold values of land, facilities and operating entities that create a cash flow. Counties also have authority to issue revenue bonds for utility purposes such as water service, sewer service, refuse and storm water drainage.
- **Industrial Development Bonds** - IDB's are tax exempt, industrial development revenue bonds that are issued in increments of \$1 million up to \$10 million dollars. These bonds are sold to assist private entities to construct certain qualifying facilities that promote economic growth of the community. IDB's are structured on the basis of a 1) Lease Transaction, 2) Installment Sale Agreement or 3) a Loan Transaction. Under Washington state law, counties have the authority to establish industrial development commissions which, in turn, have the authority to issue industrial development bonds. Federal tax limits the amount and purpose for which tax-exempted industrial bonds can be issued. In general, to qualify for tax-exemption, an industrial development bond must be less than \$ 10 million.
- **Joint Powers Authority** - Normally a public authority formed from two or more governmental or non-profit entities and based on lease agreements, project revenues and insurance programs. Most often these projects are public facilities; however, they can be joint public and private.

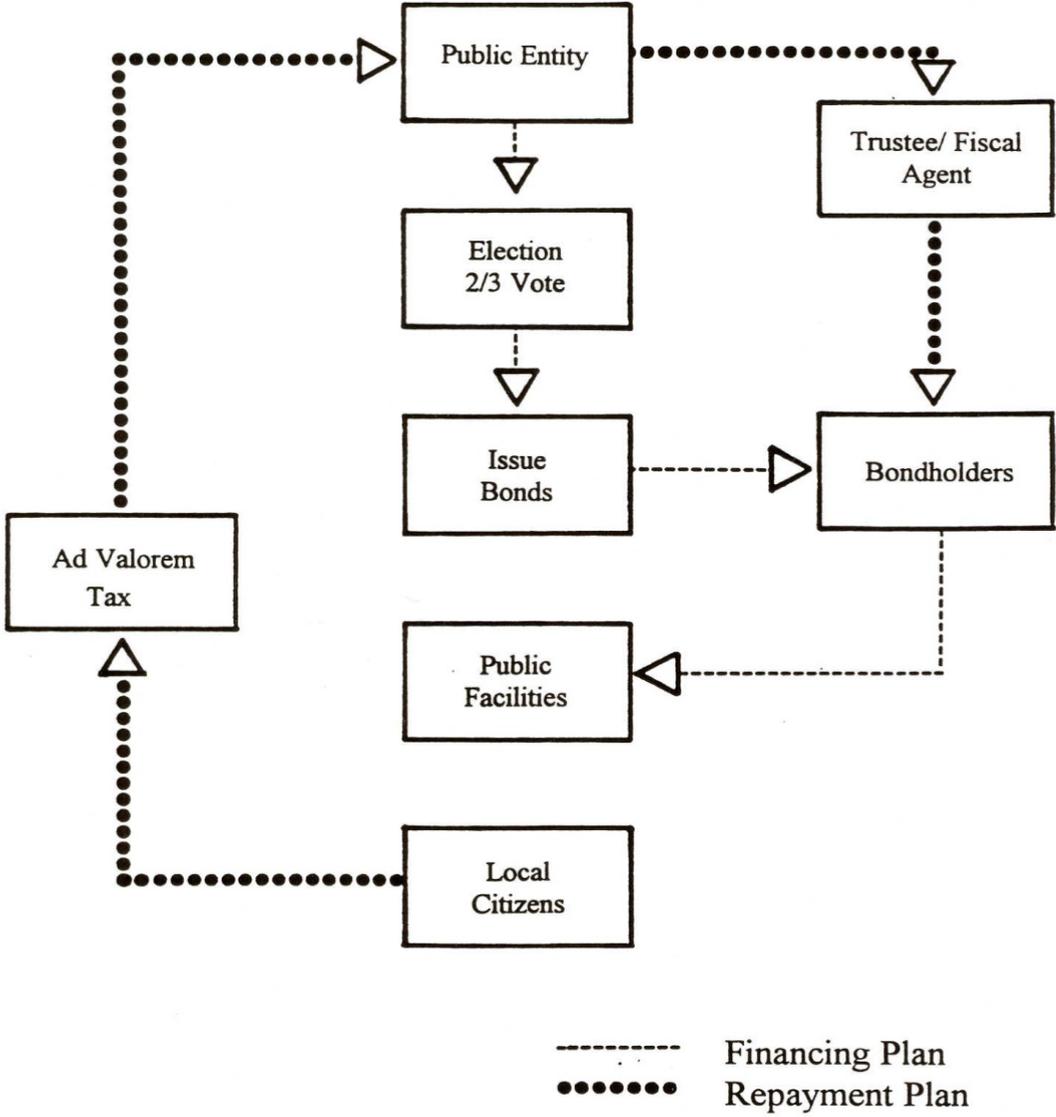
- **Certificates of Participation** - Used for the acquisition of real property, facilities development and equipment in projects designed for revenue generation. The "C.O.P.'s" may be used to finance public/private ventures where lease agreements, project revenues and project insurance programs become the form of security. While counties have the authority to enter into lease purchase contracts, in Washington state they have apparently not used this authority to secure lease revenue bonds or COPs. Part of the reason for this is that bond counsels in Washington probably require that the county at least count the principal amount of the lease against their debt limitation. As a result, there would be no benefit for a county to issue lease revenue bonds or COPs rather than to simply issue limited tax general obligation bonds. A determination of this situation must be made.
- **Lease Revenue Bonds**, like certificates of participation, are based on a lease agreement and are not subject to the constitutional debt limitation. However, lease revenue bonds require that the lessor be either a governmental entity approved to issue the bonds or a non-profit corporation that issues the bonds on behalf of a government body. Lease revenue bond proceeds may be combined with tax based revenues to support the cost of land acquisition, facilities and operational expenses. Thus a private discretionary resource of funds and a public resource of funds combine to achieve a financing objective.
- **Quasi-County Financing Vehicles** - A facility associated with a county could be financed on a tax-exempt basis without the county directly issuing the debt. For example, the county establishes a public development authority. A Public Development Authority (PDA's) is a quasi-public entity that has authority to issue bonds. Additionally, a 501c(3) organization could issue bonds on behalf of a county and these bonds would be tax exempt.
- **Special Assessment** - Special assessments may be created where the public benefit of the assessment can be clearly defined and there is a public purpose and the total assessment does not exceed the cost of the improvement and related bond financing. A Special Assessment District or area must be established by ordinance.

Short-Term Financing Techniques

- **Bond Anticipation Notes** - Bond Anticipation Notes (BANs) are used to obtain financing for projects for which bonds are authorized but not yet issued. BANs permit issuance of debt in increments as work on a project progresses and before some or all of the bond proceeds are made available.
- **Grant Anticipation Notes** - Grant Anticipation Notes (GANs) may be issued to reduce or eliminate cash flow deficits with a secured federal or state grant or loan.
- **Tax & Revenue Anticipation Notes** - Tax & Revenue Anticipation Notes (TRANs) are issued to eliminate cash flow deficits in otherwise unrestricted fund accounts of a public entity before receipt of taxes or other dedicated revenues during a particular fiscal year.
- **Commercial Paper** - Commercial paper combines financial management techniques used by corporations with the borrowing authority granted to public entities. Commercial Paper may be used instead of or combined with short-term notes to provide short-term borrowing to cover cash flow deficits.

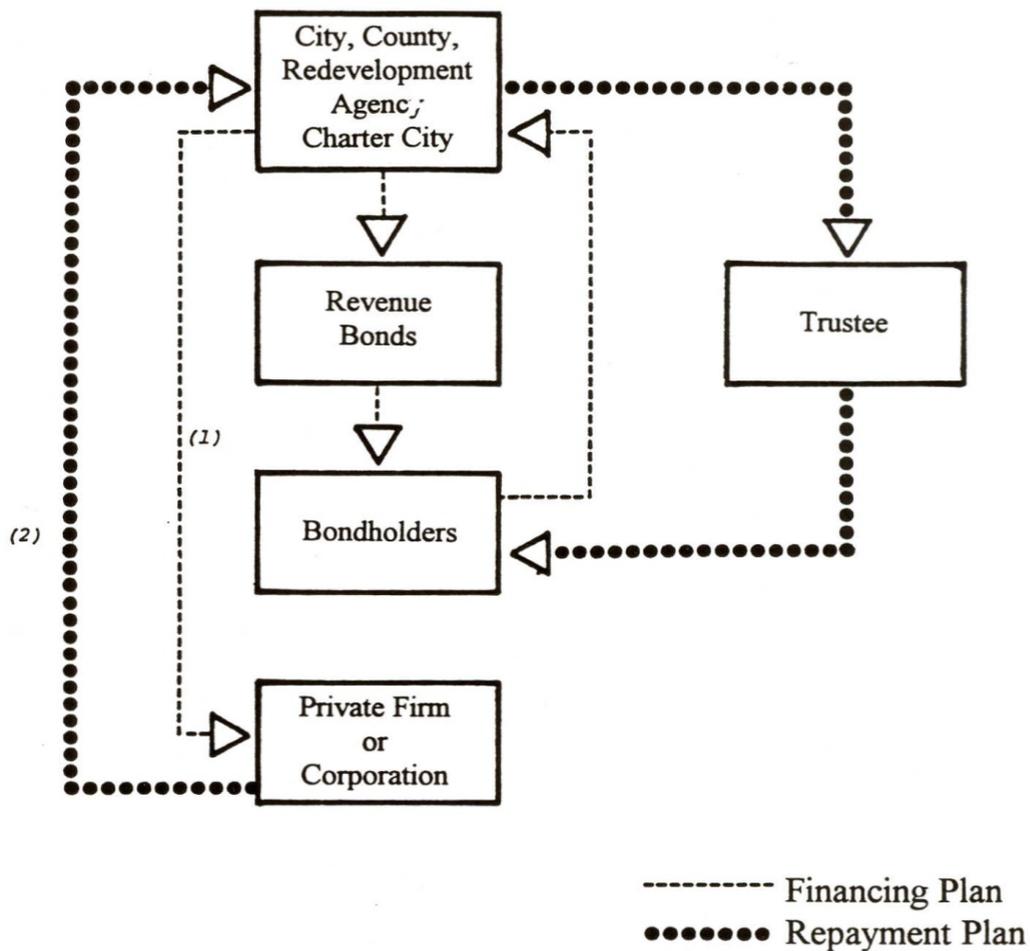
The following are diagrammatic illustrations for each financing method. The diagrams indicated the authority and flow of proceeds as well as debt service and fees. Please note that the diagrams are in pdf format as “picture” illustrations adapted from other financing studies in Washington state.

General Obligation Bonds



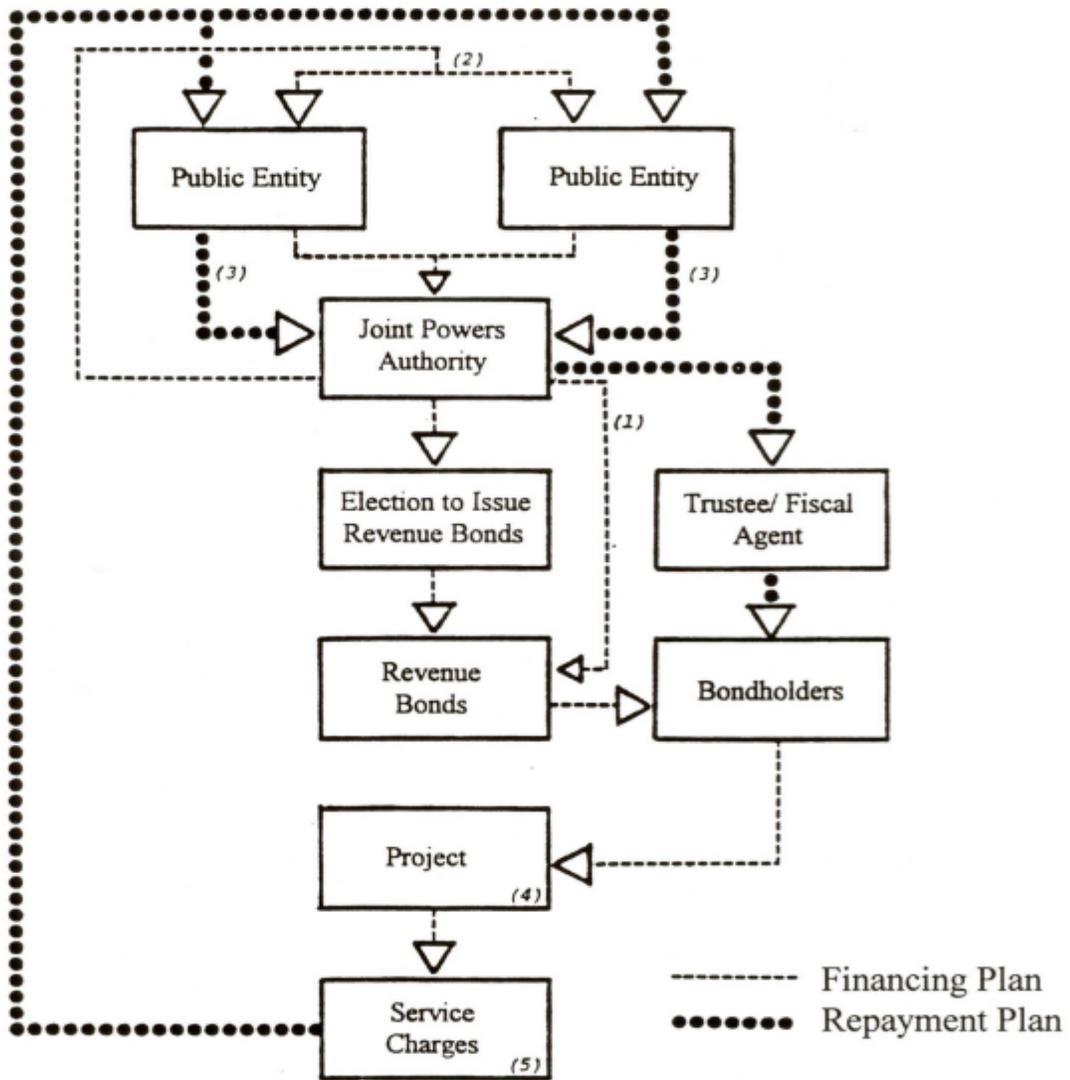
Industrial Development Bonds

(Loan Method)



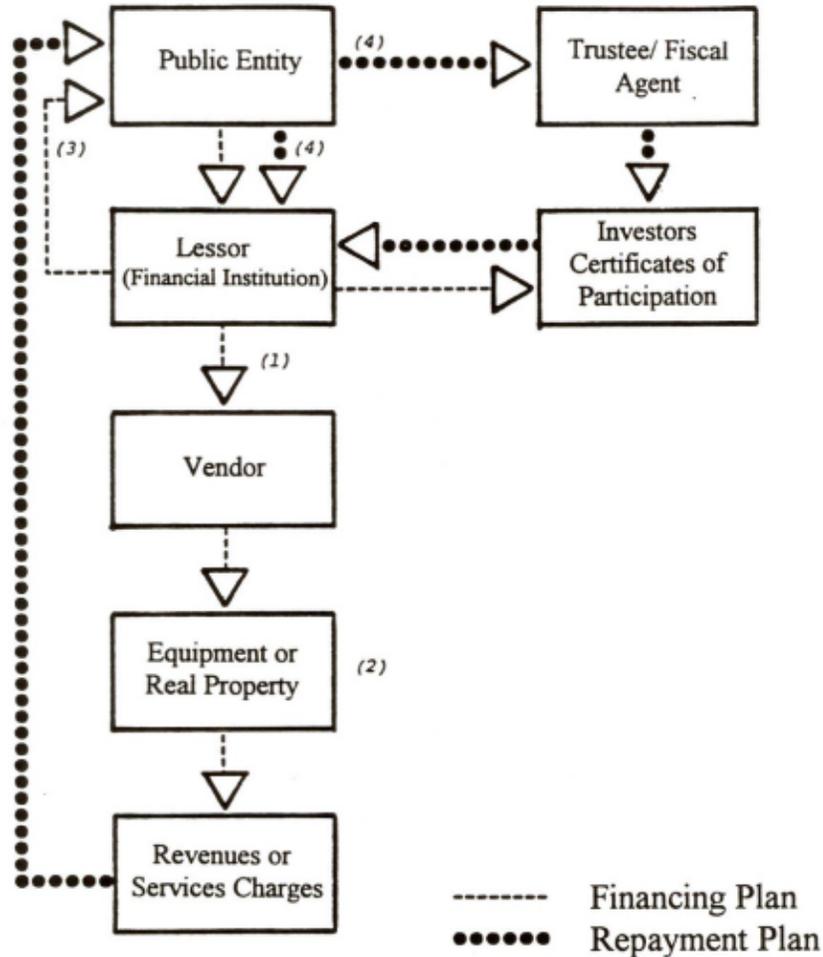
- (1) Loan from public entity to private firm.
 (2) Loan repayments equal to debt service.

Joint Powers Authority



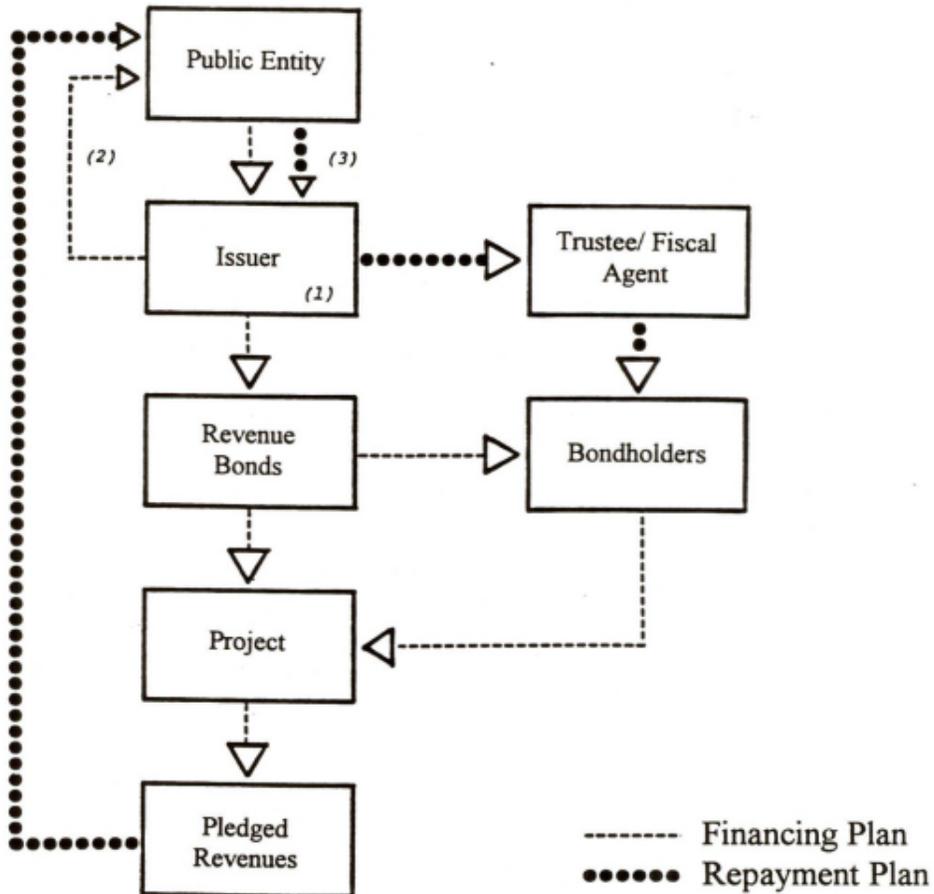
- (1) No election required if water quality board determines emergency.
- (2) Project leased back to agencies.
- (3) Lease rental payments which provide security for bonds.
- (4) Any function which both parties are empowered to perform.
- (5) If applicable.

Certificates of Participation



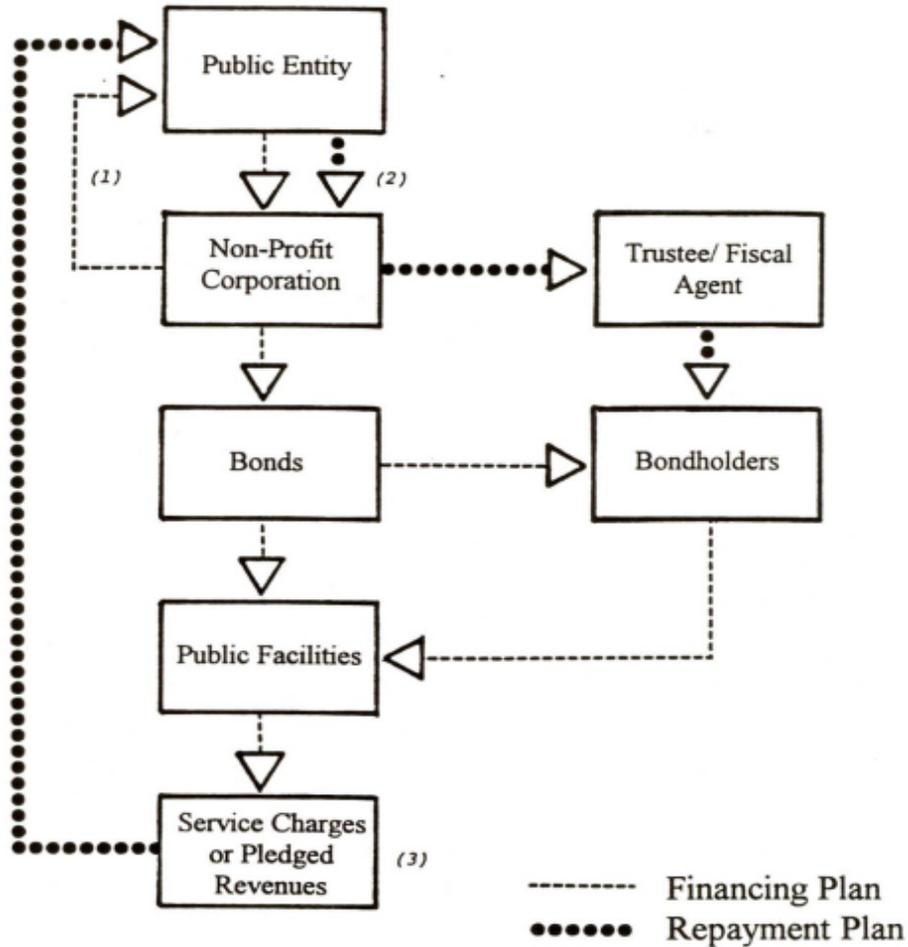
- (1) Financial institution pays vendor cash at present value of future lease payments.
- (2) Ownership remains with financial institution until terms of lease are satisfied or may be sold to trustee for \$1.00.
- (3) Equipment or property leased back to public entity.
- (4) Lease rental payments which provide security for certificates of participation.

Lease Revenue Bonds



- (1) Issuer may be Redevelopment Agency, Parking Authority or Non-Profit Corporation.
- (2) Project leased back to public entity.
- (3) Lease rental provides security. Other funds may be pledged in addition to Reserve Fund.

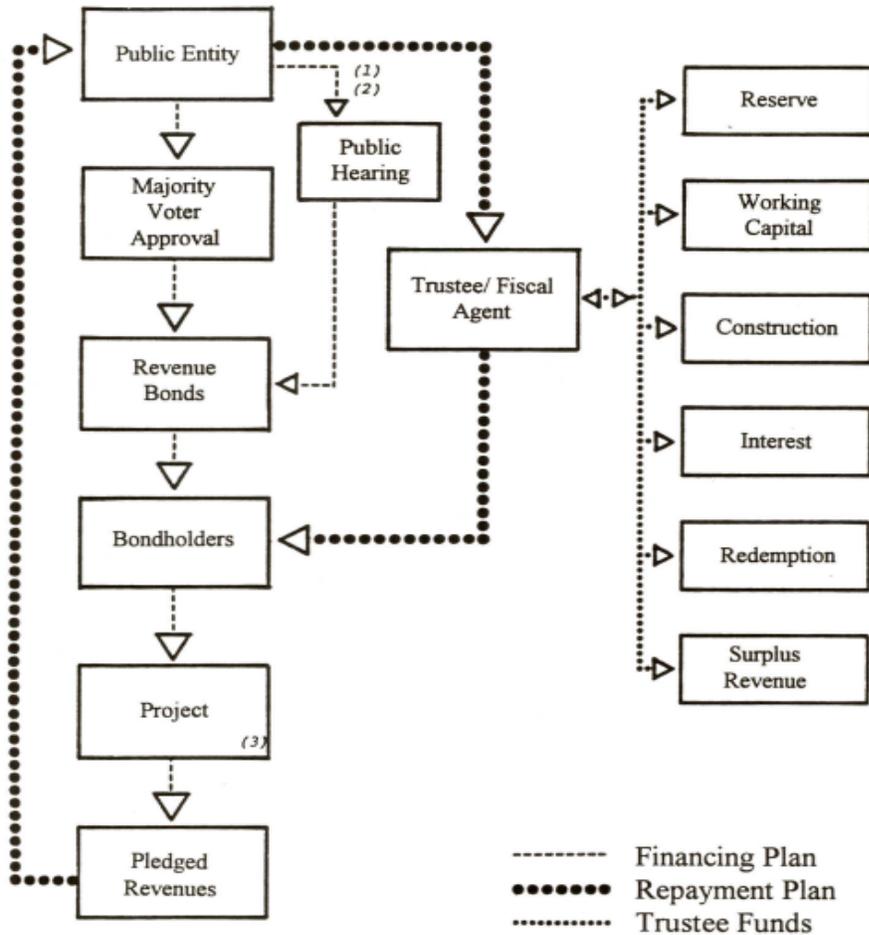
Non-Profit Corporation



- (1) Public facility leased back to agency.
 (2) Lease rental payments which provide security for bonds.
 (3) Pledged revenues may include general funds, project revenues, specified general receipts or tax increment revenues if the facility is located in redevelopment area.

Revenue Bonds

Revenue bonds encompass a broad category of financing mechanisms. For the purposes of project development, such as golf courses, etc., revenue bonding procedures may be used based on authorizing statutes or based on lease hold values of land, facilities and operating entities that create a cash flow. Cities also have authority to issue revenue bonds for utility purposes such as water service, sewer service, refuse and storm water drainage.



- (1) Charter City may be exempt from voter approval of each issue if allowed by its Charter.
- (2) 1933 Sewer Revenue Bonds, unless petitioned by 15% of property owners or voters.
- (3) As specified in Revenue Bond Act of 1933, 1941 or 1957.

Technical Memorandum No. 6

Cost Estimate

| PHASE | ITEM | SIZE | | | DEMOLITION | | | COST BY PHASE | | | | TOTAL COST | COMMENTS | |
|---|---|---------|----------|------------|----------------|-------------|-------------|---------------|-------------|-------------|-----------|------------|-------------|---|
| | | WIDTH | LENGTH | AREA | UNIT COST | COST | SUBTOTAL | PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | | | |
| A EXISTING STRUCTURES-DEMOLITION | | | | | | | | | | | | | | |
| | 1 Midway Food Court | | | 2,704 SF | \$3 /SF | \$8,102 | | | | | | | | Assumes demolition of existing stage not feasible for relocation Portable grandstands- assume relocation by Owner Assumes no funds allocated for renovation Assumes no funds allocated for reception Assumes Barbecue stand removed by Owner |
| | 2 Stage- Existing | | | 780 SF | \$3 /SF | \$2,340 | | | \$8,352 | | | | | |
| | 3 Grandstands- Stage | 20 ft. | 40 ft. | 800 SF | | \$0 | | | \$2,280 | | | | | |
| | 4 Brooks Hill House | 16 ft. | 25 ft. | 320 SF | | \$0 | | | \$0 | | | | | |
| | 5 Midway Cabin | 17 ft. | 23 ft. | 391 SF | | \$0 | | | \$0 | | | | | |
| | 6 Barbecue stand | 4 ft. | 8 ft. | 32 SF | | \$0 | | | \$0 | | | | | |
| | 7 Turner Building | | | 5,000 SF | \$3 /SF | \$15,000 | | | \$15,000 | | | | | |
| | 8 Turner Building | | | 4,600 SF | \$3 /SF | \$13,800 | | | \$14,400 | | | | | |
| | 9 Malone Building | | | 6,720 SF | \$3 /SF | \$20,160 | | | \$20,160 | | | | | |
| | 10 Restroom C | | | 450 SF | \$4 /SF | \$1,800 | | | \$1,800 | | | | | |
| | 11 Goat Barn | | | 6,720 SF | \$3 /SF | \$20,160 | | | \$20,160 | | | | | |
| | 12 Beef Barn | | | 3,180 SF | \$3 /SF | \$9,540 | | | \$9,540 | | | | | |
| | 13 Grandstands/ Alpaca | | | 3,000 SF | \$4 /SF | \$12,000 | | | \$12,000 | | | | | |
| | 14 Caves barn | 12 ft. | 24 ft. | 288 SF | \$3 /SF | \$864 | | | \$864 | | | | | |
| | 15 Dog Pavilion/ Shelter | | | 2,100 SF | \$3 /SF | \$6,300 | | | \$6,300 | | | | | |
| | 16 Antique Equipment barn | | | 4,320 SF | \$3 /SF | \$12,960 | | | \$12,960 | | | | | |
| | 17 Poultry/ Rabbits barn | | | 2,345 SF | \$3 /SF | \$7,035 | | | \$7,035 | | | | | |
| | 18 Sewer/ Cuts barn | | | 1,600 SF | \$3 /SF | \$4,800 | | | \$4,800 | | | | | |
| | 19 Sheep Barn | | | 3,056 SF | \$3 /SF | \$9,168 | | | \$9,168 | | | | | |
| | 20 Horse Barn #1 | | | 4,200 SF | \$3 /SF | \$12,600 | | | \$12,600 | | | | | |
| | 21 Horse Barn #2 | | | 3,400 SF | \$3 /SF | \$10,200 | | | \$10,200 | | | | | |
| | 22 Horse Barn #3 | | | 3,200 SF | \$3 /SF | \$9,600 | | | \$9,600 | | | | | |
| | 23 SUBTOTAL | | | 60,078 SF | | | \$179,049 | \$42,963 | \$86,352 | \$24,234 | \$52,400 | | | |
| | 24 TOTAL (Demolition and Renovation) | | | | | | | | | | | | \$179,049 | |
| B EXISTING STRUCTURES-RENOVATION | | | | | | | | | | | | | | |
| | 1 Main Entrance | 15 ft. | 52 ft. | 780 SF | | \$25,000 | | | \$25,000 | | | | | Allowance for relocation Assumes no renovations Assumes for exterior improvements Allowance for accessibility, upgraded fixtures, partitions Assumes relocation removed by Owner Assumes relocation removed by Owner Assumes commercial kitchen renovations Allowance for relocation and reconfiguration Allowance for minor repairs Allowance for elevator and minor improvements Allowance for relocation |
| | 2 Administrative Gate | | | 0 | | \$0 | | | \$0 | | | | | |
| | 3 Pub Building | | | 12,000 SF | | \$20,000 | | | \$25,000 | | | | | |
| | 4 Restroom A | | | 560 SF | | \$20,000 | | | \$20,000 | | | | | |
| | 5 Restroom B | | | 450 SF | | \$20,000 | | | \$20,000 | | | | | |
| | 6 Grandstand | | | 130 SF | | \$0 | | | \$0 | | | | | |
| | 7 Fiddle Fiddle Farm | | | 1,000 SF | | \$10,000 | | | \$10,000 | | | | | |
| | 8 Windmill | | | 25 SF | | \$0 | | | \$0 | | | | | |
| | 9 Cotman 4-H Building | | | 4,004 SF | | \$20,000 | | | \$20,000 | | | | | |
| | 10 Horse Arena East Grandstands | 30 ft. | 100 ft. | 3,000 SF | | \$15,000 | | | \$15,000 | | | | | |
| | 11 Horse Arena West Grandstands | 20 ft. | 70 ft. | 1,400 SF | | \$5,000 | | | \$5,000 | | | | | |
| | 12 Horse Building | | | 1,500 SF | | \$20,000 | | | \$20,000 | | | | | |
| | 13 Log Show Grandstands | 30 ft. | 50 ft. | 1,500 SF | | \$5,000 | | | \$5,000 | | | | | |
| | 14 SUBTOTAL | | | 26,549 SF | | \$225,000 | \$5,000 | \$50,000 | \$100,000 | \$70,000 | | | \$225,000 | |
| | 15 TOTAL (Demolition and Renovation) | | | | | | | | | | | | \$225,000 | |
| C NEW CONSTRUCTION | | | | | | | | | | | | | | |
| | 1 North Gate | 10 ft. | 30 ft. | 300 SF | | \$0 | | | \$0 | | | | | Assume existing Main Entrance is relocated- see above Allowance Allowance for relocation Assumes small commercial kitchen, restrooms Assumes no enclosed spaces or restrooms Assumes no enclosed spaces or restrooms Market Place structure only- restrooms itemized separately Market Place structure only- restrooms itemized separately Market Place structure only- restrooms itemized separately Restrooms, Electrical, Mechanical, storage (Does not include retaining wall- see below) Allowance |
| | 2 South Gate | 10 ft. | 30 ft. | 300 SF | | \$30,000 | | | \$30,000 | | | | | |
| | 3 Stage- proposed | 30 ft. | 40 ft. | 1,200 SF | \$25 /SF | \$30,000 | | | \$30,000 | | | | | |
| | 4 Exposition Center | 120 ft. | 150 ft. | 18,000 SF | \$110 /SF | \$1,980,000 | | | \$1,980,000 | | | | | |
| | 5 Exposition Center Annex Pavilion | 50 ft. | 120 ft. | 6,000 SF | \$50 /SF | \$300,000 | | | \$300,000 | | | | | |
| | 6 Commercial Pavilion | 50 ft. | 80 ft. | 4,000 SF | \$50 /SF | \$200,000 | | | \$200,000 | | | | | |
| | 7 Market Place Pavilion- North | 40 ft. | 80 ft. | 3,200 SF | \$50 /SF | \$160,000 | | | \$160,000 | | | | | |
| | 8 Market Place Pavilion- Main | 120 ft. | 150 ft. | 18,000 SF | \$50 /SF | \$900,000 | | | \$900,000 | | | | | |
| | 9 Market Place Pavilion- South | 60 ft. | 125 ft. | 7,500 SF | \$50 /SF | \$375,000 | | | \$375,000 | | | | | |
| | 10 Market Place Pavilion- facilities | 20 ft. | 30 ft. | 600 SF | \$250 /SF | \$150,000 | | | \$150,000 | | | | | |
| | 11 Horse Arena Pavilion | 150 ft. | 200 ft. | 30,000 SF | \$50 /SF | \$1,500,000 | | | \$1,500,000 | | | | | |
| | 12 Stable A | 40 ft. | 300 ft. | 12,000 SF | \$80 /SF | \$960,000 | | | \$960,000 | | | | | |
| | 13 Stable A Restrooms | 24 ft. | 16 ft. | 384 SF | \$250 /SF | \$96,000 | | | \$96,000 | | | | | |
| | 14 Stable B | 40 ft. | 140 ft. | 5,600 SF | \$60 /SF | \$336,000 | | | \$336,000 | | | | | |
| | 15 Maintenance Building | 30 ft. | 40 ft. | 1,200 SF | \$70 /SF | \$84,000 | | | \$84,000 | | | | | |
| | 16 Tower Feature | 10 ft. | 10 ft. | 100 SF | \$50 /SF | \$5,000 | | | \$5,000 | | | | | |
| | 17 SUBTOTAL | | | 96,784 SF | | \$6,315,000 | \$1,690,000 | \$2,310,000 | \$250,000 | \$2,096,000 | | | \$6,315,000 | |
| | 18 TOTAL | | | | | | | | | | | | \$6,315,000 | |
| D SITE | | | | | | | | | | | | | | |
| | 1 Site Area | | | 557,968 SF | | \$0 | | | \$0 | | | | | Area includes building. No improvements to site in this area Assumes no improvements to site in this area Allowance for (10' ft) tall jersey barriers Allowance for water/ fire water, sewer, storm, gas, power Allowance for pole lighting at Festival Park (building Bg, elsewhere) Allowance for re-distribution, replacement of galvanized piping Allowance for relocation Approximate area for retaining wall where Stable A cut into hill Assumes existing fencing can be re-used Assumes existing fencing can be re-used Assumes existing fencing can be re-used |
| | 2 Landscape | | | | | \$0 | | | \$0 | | | | | |
| | 3 Festival Park/ Carnival- turf | 175 ft. | 230 ft. | 40,250 SF | \$7 /SF | \$281,750 | | | \$281,750 | | | | | |
| | 4 Open Air Exhibits & Carnival- turf | 45 ft. | 70 ft. | 3,150 SF | \$7 /SF | \$22,050 | | | \$22,050 | | | | | |
| | 5 Open Air Events Area #1- turf | 60 ft. | 130 ft. | 7,800 SF | \$3 /SF | \$23,400 | | | \$23,400 | | | | | |
| | 6 Open Air Events Area #2- turf | 35 ft. | 40 ft. | 1,400 SF | \$3 /SF | \$4,200 | | | \$4,200 | | | | | |
| | 7 Heritage Park- turf | 50 ft. | 250 ft. | 12,500 SF | \$3 /SF | \$37,500 | | | \$37,500 | | | | | |
| | 8 Operations/ Maintenance/ Storage yard N | | | 6,568 SF | | \$0 | | | \$0 | | | | | |
| | 9 Operations/ Maintenance/ Storage yard S | | | 16,004 SF | | \$0 | | | \$0 | | | | | |
| | 10 Materials Storage | 16 ft. | 64 ft. | 1,024 SF | \$5 /SF | \$5,120 | | | \$5,120 | | | | | |
| | 11 Frontage landscaping at Camino | 10 ft. | 1475 ft. | 14,750 SF | \$5 /SF | \$73,750 | | | \$73,750 | | | | | |
| | 12 Subtotal | | | | | \$490,650 | | | \$490,650 | | | | | |
| | 13 Utilities | | | | | \$0 | | | \$0 | | | | | |
| | 14 Utilities- underground- Phase 1 | | | | | \$100,000 | | | \$100,000 | | | | | |
| | 15 Utilities- underground- Phase 2 | | | | | \$250,000 | | | \$250,000 | | | | | |
| | 16 Site Lighting- Festival Park | | | | | \$0 | | | \$0 | | | | | |
| | 17 Site- RV Parking- Existing (for reference) | | | 37,000 SF | | \$0 | | | \$0 | | | | | |
| | 18 Site- RV Parking- Utilities | | | 67,980 SF | | \$20,000 | | | \$20,000 | | | | | |
| | 19 RV Sanitary Dump | 10 ft. | 20 ft. | 200 SF | | \$0 | | | \$0 | | | | | |
| | 20 Pump House | 8 ft. | 9 ft. | 72 SF | | \$10,000 | | | \$10,000 | | | | | |
| | 21 Electrical Shed | 7 ft. | 10 ft. | 70 SF | | \$0 | | | \$0 | | | | | |
| | 22 RV Garbage Shed | 4 ft. | 9 ft. | 36 SF | | \$0 | | | \$0 | | | | | |
| | 23 Subtotal | | | | | \$430,000 | | | \$430,000 | | | | | |
| | 24 Roads | | | | | \$0 | | | \$0 | | | | | |
| | 25 Gravel Roads- Phase 1 | | | 21,000 SF | \$4 /SF | \$84,000 | | | \$84,000 | | | | | |
| | 26 Gravel Roads- Phase 2 | | | 12,250 SF | \$4 /SF | \$49,000 | | | \$49,000 | | | | | |
| | 27 Gravel Roads- Phase 3 | | | 7,500 SF | \$4 /SF | \$30,000 | | | \$30,000 | | | | | |
| | 28 Gravel Roads- Phase 4 | | | 14,750 SF | \$4 /SF | \$59,000 | | | \$59,000 | | | | | |
| | 29 Subtotal | | | | | \$222,000 | | | \$222,000 | | | | | |
| | 30 Paved Roads- Phase 1 | | | 50 SF | \$0 /SF | \$0 | | | \$0 | | | | | |
| | 31 Paved Roads- Phase 2 | | | 30,000 SF | \$6 /SF | \$180,000 | | | \$180,000 | | | | | |
| | 32 Paved Roads- Phase 3 | | | 22,300 SF | \$6 /SF | \$133,800 | | | \$133,800 | | | | | |
| | 33 Paved Roads- Phase 4 | | | 50 SF | \$0 /SF | \$0 | | | \$0 | | | | | |
| | 34 Subtotal | | | | | \$314,100 | | | \$314,100 | | | | | |
| | 35 Retaining Wall at Stable A | 100 ft. | 4 ft. | 400 SF | \$25 /SF | \$10,000 | | | \$10,000 | | | | | |
| | 36 Retaining wall and footing | | | | | \$10,000 | | | \$10,000 | | | | | |
| | 37 Subtotal | | | | | \$20,000 | | | \$20,000 | | | | | |
| | 38 Fencing | | | | | \$0 | | | \$0 | | | | | |
| | 39 Fencing- North (chain link) | | | 535 LF | \$30 /LF | \$16,050 | | | \$16,050 | | | | | |
| | 40 Fencing- East (climbed concrete walls) | | | 875 LF | \$160 /LF | \$140,000 | | | \$140,000 | | | | | |
| | 41 Fencing- South (chain link) | | | 400 LF | \$30 /LF | \$12,000 | | | \$12,000 | | | | | |
| | 42 Service Access-gates- North | | | 1 Gate | \$1,500 / Gate | \$1,500 | | | \$1,500 | | | | | |
| | 43 Service Access-gates- South | | | 3 Gates | \$1,500 / Gate | \$4,500 | | | \$4,500 | | | | | |
| | 44 Fencing- Arena | | | 600 LF | | \$0 | | | \$0 | | | | | |
| | 45 Fencing- Open Air Events #1 | 60 ft. | 130 ft. | 7,800 SF | | \$0 | | | \$0 | | | | | |
| | 46 Fencing- Open Air Events #2 | 50 ft. | 40 ft. | 2,000 SF | | \$0 | | | \$0 | | | | | |
| | 47 Subtotal | | | | | \$171,550 | | | \$171,550 | | | | | |
| | 48 SUBTOTAL | | | | | | \$1,643,800 | \$294,000 | \$334,350 | \$657,000 | \$159,160 | | | \$1,643,800 |

| 213132 ISLAND COUNTY FAIRGROUNDS | | | | | | | | | | | COST ESTIMATE | | |
|----------------------------------|---|-------|--------|------|------------------|------|----------|---------------|-------------|-------------|---------------|-------------|----------|
| PHASE | ITEM | SIZE | | | NEW CONSTRUCTION | | | COST BY PHASE | | | | TOTAL COST | COMMENTS |
| | | WIDTH | LENGTH | AREA | UNIT COST | COST | SUBTOTAL | PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | | |
| E | TOTAL BY PHASE | | | | | | | Phase 1 | Phase 2 | Phase 3 | Phase 4 | | |
| | Construction Costs | | | | | | | | | | | | |
| | 1 Demolition | | | | | | | \$42,063 | \$80,352 | \$24,234 | \$32,400 | | |
| | 2 Renovation | | | | | | | \$5,000 | \$50,000 | \$100,000 | \$70,000 | | |
| | 3 New Construction | | | | | | | \$1,669,000 | \$2,310,000 | \$250,000 | \$2,056,000 | | |
| | 4 Site | | | | | | | \$294,000 | \$534,350 | \$657,600 | \$156,650 | | |
| | 5 Total Construction Cost per Phase | | | | | | | \$2,040,963 | \$2,974,702 | \$1,031,834 | \$2,315,350 | \$8,362,849 | |
| | Additional Costs (not included): | | | | | | | | | | | | |
| | 6 WA State Sales Tax (8.2%) | | | | | | | | | | | | |
| | 7 A/E Fees, Permits, Testing, Admin. etc. | | | | | | | | | | | | |
| | 8 Furniture and Equipment | | | | | | | | | | | | |
| | 9 Escalation | | | | | | | | | | | | |
| | 10 Contingencies | | | | | | | | | | | | |

Technical Memoranda No. 7

Facilities and Space Allocation

(Existing and new facilities with net gain or loss of space)

| Existing Facilities | Length and Width | Square Feet |
|---|-------------------------|--------------------|
| Pole Building (Existing, to remain) | 80x150 | 12,000 sf. |
| Fiddle Faddle Barn (To be relocated) | 35 x 38 | 1,080 sf. |
| Coffman - 4-H Building (To be renovated) | 40 x 86 | 4,064 sf. |
| Hope Building (2 story bldg. to be renovated) | 34 x 63 | 1,560 sf. |
| Stage (to be relocated and renovated) | 20 x 38 | 760 sf. |
| Total | | 19,464 sf. |

| Exposition Place | Length and Width | Square Feet |
|-------------------------|-------------------------|--------------------|
| Exposition Center | 120 x 150 | 18,000 sf. |
| Exposition Annex | 50 x 120 | 6,000 sf. |
| Commercial Pavilion | 50 x 80 | 4,000 sf. |
| Entertainment Stage | | 1,200 sf. |
| Total | | 29,200 sf. |

Note: Existing square feet dedicated to show and exposition functions is 28,520. New facilities and the Pole Building total 40,000 sf. for a net gain of 11,480 sf.

| Market Place | Length and Width | Square Feet |
|---------------------|-------------------------|--------------------|
| Main Pavilion | 120 x 150 | 18,000 sf. |
| North Annex | 40 x 80 | 3,200 sf. |
| South Annex | 60 x 125 | 7,500 sf. |
| Total | | 28,700 sf. |

Note: Total existing square feet dedicated to agriculture and livestock exhibits is 34,745 sf. Proposed improvements provide 28,700 sf. for a net loss of 6,045 sf.

| Equine/Multi-Purpose Pavilion | Length and Width | Square Feet |
|--------------------------------------|-------------------------|--------------------|
| Equestrian Stable "A" | 40 x 260 | 10,400 sf. |
| Equestrian Stable "B" | 40 x 140 | 5,600 sf. |
| Arena/Multi-Purpose Pavilion | 100 x 200 | 20,000 sf. |
| Total | | 36,000 sf. |

Note: The existing horse barns are 10,800 sf. The proposed new stables provide 16,000 sf. of space for a net gain of 5,200 sf. The two new center aisle stables provide 55 stalls with feed and tack rooms. A new stable area restroom is included. The arena is reduced in size from 33,000 sf. to 20,000 sf.

| Restroom Facilities | Square Feet |
|---|--------------------|
| Restroom "A" (existing, to remain and renovated) | 560 sf. |
| Restroom "B" (existing, to remain and renovated) | 450 sf. |
| Horse Stables Restroom (new) | 800 sf. |
| Pole Building (existing, to remain and renovated) | (?) sf. |
| Market Place Pavilion Restroom (new) | 1,000 sf. |
| Exposition Center Public Restrooms (new) | 1,200 sf. |
| Exposition Center Administrative Offices (new) | 150 sf. |
| Exposition Annex (new) | 920 sf. |
| Commercial Pavilion (new) | 840 sf. |
| Operations Office (new) | 50 sf. |
| Total | 5,970 sf. |

Note: Total existing square feet dedicated to restrooms is estimated at 1892 sf. The proposed new restroom facilities of 5,970 sf. providing a net gain of 4,078 sf.

| Use Areas & Facilities | Length and Width | Square Feet |
|-------------------------------------|-------------------------|--------------------|
| Festival Park, Carnival | 175 x 230 | 40,250 sf. |
| Children's Carnival & Open Exhibits | 70 x 85 | 5,950 sf. |
| Outdoor Events Area 1/Log Rolling | 60 x 130 | 7,800 sf. |
| Outdoor Events Area 2 | 40 x 50 | 2,000 sf. |
| Total | | 56,000 sf. |

Note: Total existing square feet dedicated to carnival is 25,800 sf. Festival Park provides 40,250 for a net gain of 14,450 sf. Total existing square feet dedicated to outdoor events is about 4,000 sf. The new outdoor events areas provide 15,750 sf. for a net gain of 11,750 sf.

| Operations and Maintenance | Length and Width | Square Feet |
|-----------------------------------|-------------------------|--------------------|
| Operations Office | 30 x 40 | 1,200 sf. |
| Materials Storage Space | | 3,700 sf. |
| Total: | | 4,900 sf. |

| Facilities Improvements & Space Summary | Acres or Square Feet |
|--|-----------------------------|
| Property Size in acres: | 12.8 acres |
| Property Size in Square feet: | 557,568 sf. |
| Existing Relocated or Renovated Facilities | 19,670 sf. |
| Proposed New Buildings and Structures | 96,784 sf. |
| Festival Park & Outdoor Events Areas | 56,000 sf. |
| Operations & Maintenance Storage Yard | 3,700 sf. |
| Circulation and Open Space | 388,058 sf. |

Landerman-Moore Associates and LRS Architects, Inc.

Note: The Coffman 4-H building has a covered shelter with an additional 624 sf.