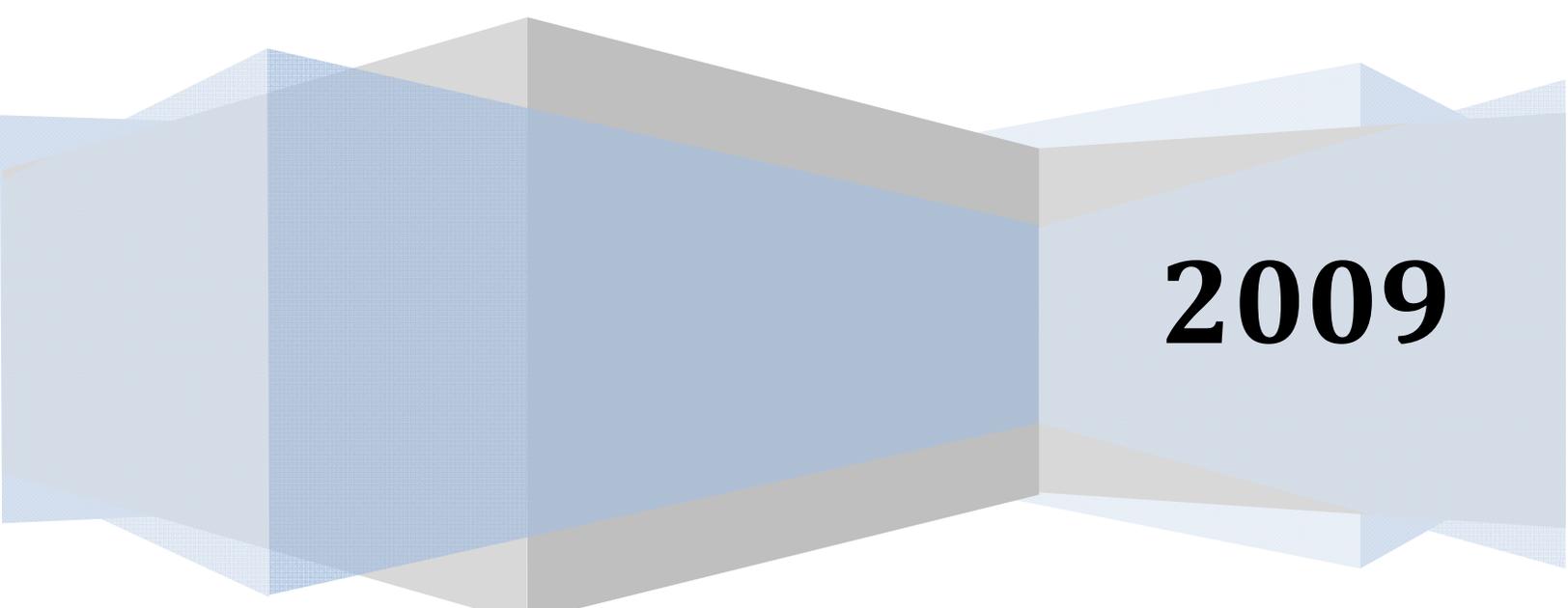


UW-Extension, Washington County

# Washington County Fair Park Study Committee:

Report to County Board



**2009**

Report compiled on August 28, 2009

## TABLE OF CONTENTS

---

Acknowledgements .....	3
Fair Park Study Committee.....	3
County Staff.....	3
Document Prepared By .....	3
Fair Park Mission.....	4
Executive Summary.....	4
Background of Study Committee .....	5
Purpose Statement of the Fair Park Study Committee.....	6
Overview of Study Committee Meeting Schedule .....	6
Overview of Study Committee Research.....	7
History of the Development of Fair Park & AIS.....	7
Mission & Philosophy of Fair Park.....	9
County Consultants for Fair Park Development .....	9
Overview of Key Fair Park Resolutions .....	10
AIS Lease & Agreement .....	12
AIS Operations .....	13
AIS Short-term and Long-term Needs.....	14
4-H Relationship with Fair Park.....	14
County Operating Fair Park.....	15
Other County Fairground Operations .....	16
Financial Considerations .....	17
Legal Considerations .....	18
Economic Impact Analysis .....	19
Fair Park Alternatives.....	19
Alternative Analysis.....	20
Alternative #1 (County has building ownership and operates fair and events) .....	20
Alternative #2 (County has building ownership and AIS operates fair and events) .....	20
Alternative #3 (County has building ownership and operates events – AIS operates Fair) .....	21
Alternative #4 (County has building ownership, another organization operates events & AIS operates fair) .....	21
Alternatives #5 & #6 (County owns a seasonal facility and AIS operates fair and events) & (County owns a seasonal facility and operates events – AIS operates fair) .....	22
Alternative #7 (Status Quo – Mixed building ownership and AIS operates events and Fair) .....	22

Study Committee Recommendation .....	22
Appendix A: Other County Fairgrounds Operations.....	24
Appendix B: Contract Alternatives and Legal Issues .....	26
Appendix C: Performance Metrics & Lease Agreement Notes.....	29
Appendix D: 2009 Fair Park Performance Expectations.....	30

---



---

## ACKNOWLEDGEMENTS

---

### FAIR PARK STUDY COMMITTEE

---

- Dan Anhalt- County resident & Director of Continuing Education at UW-Washington County
- Dennis Boese- County resident & retired corporate manager of fair and festival marketing for Miller Brewing Co., Milwaukee
- James Core- County Board Supervisor
- Rick Gundrum- County Board Supervisor
- Todd Healy- County Board Supervisor
- William Meyers- County Board Supervisor
- Herbert Tennes- County Board Chairperson
- Anthony Warren- County resident & Chairman of the Board at West Bend Mutual Insurance Company

### COUNTY STAFF

---

- Sue Haag- Finance Director
- Doug Johnson- Administrative Coordinator
- Kim Nass- County Attorney
- Judy Steinert- Administrative Assistant for Administration and County Board

### DOCUMENT PREPARED BY

---

Paul Roback  
Associate Professor, Community Development Educator

UW-Extension, Washington County  
333 E. Washington St., Suite 1200  
PO Box 2003  
West Bend, WI 53095  
Phone: (262) 335-4480  
Fax: (262) 335-4863  
paul.robback@ces.uwex.edu  
Web site: <http://washington.uwex.edu>



An AA/EEO employer, UW-Extension provides equal opportunities in employment and programming, including Title IX and ADA requirements.

## FAIR PARK MISSION

---

***To enhance cultural, education, economic, and social opportunities for the people of Washington County.***

## EXECUTIVE SUMMARY

---

The Fair Park Study Committee would like to thank the Washington County Board of Supervisors for the opportunity to explore and discuss Washington County's future involvement with Fair Park. The Study Committee met seven times from March to August 2009 and explored seven alternatives for possible implementation.

After thorough review and careful consideration, the Fair Park Study Committee recommends that Washington County should purchase the buildings at Fair Park that the Washington County Agricultural and Industrial Society, Inc. (AIS) owns and that the AIS should continue to operate events at Fair Park and the annual County Fair.

Additionally, the Study Committee recommends that the Washington County Board:

- Continues the mission of Fair Park (To enhance cultural, education, economic, and social opportunities for the people of Washington County) and continues a year-round operation with access for community events and 4-H.
- Negotiates a new lease agreement with AIS to ensure greater financial oversight and stronger operations.
- Develops mutually agreed upon performance expectations for AIS to measure the effectiveness of Fair Park operations that are evaluated annually by appropriate County Board Committee. (See Appendix C)
- Requires AIS to hire staff or consultants to enhance and strengthen the current skill sets of Fair Park staff. Specifically, expertise is needed in event marketing and bookings. A new marketing plan needs to be developed and implemented within a mutually agreed upon timeframe in order to increase the number of event bookings and the profit from these bookings. AIS should also enhance and strengthen the skill sets of the AIS Board to ensure organizational effectiveness.
- Requires AIS to re-establish a reserve fund from Fair Park revenues with the ultimate goal of levy reduction.
- Requires AIS to develop accounting practices, such as cost-plus, that determines the actual costs (fixed and variable) of each event in order to assess when setting rates and fees in order to market Fair Park for the greatest return on investment.
- Hires a consultant to conduct an economic impact analysis of Fair Park in order to measure the full economic benefit of this facility for the County.

The Fair Park Study Committee encourages the Washington County Board to not consider this recommendation as the same proposal that was before the County Board in February 2009 for several critical factors. First, County ownership of Fair Park buildings ensures that the buildings are maintained and that capital improvement projects are effectively managed. Second, the above recommendation includes specific changes to ensure greater financial oversight and stronger

operations. Third, several critical changes have occurred since February 2009, when the Fair Park Study Committee resolution was adopted by the County Board, and are further detailed in the recommendation section of this report.

## BACKGROUND OF STUDY COMMITTEE

---

On February 10, 2009, Washington County Board 2008 Resolution 65 unanimously authorized the creation of the Fair Park Study Committee to “review all aspects of Fair Park’s current and past operations, the evolution/development of the site and the existing contractual and financial relationship between County and the Washington County Agricultural and Industrial Society, Inc. (AIS) in order to provide a comprehensive set of recommendations to be implemented with the 2010 County Budget for the future success of this substantial County asset.”

This resolution detailed that the County Board Chairman shall appoint no more than eight voting members, with the membership to include the County Board Chairperson, four County Board Supervisors who are not current or previous AIS Board members, with the exception of the County Board Chairperson and three citizen members who are not current or previous AIS Board members. This study committee shall develop findings and recommendations and then present them to the County Board no later than the September 2009 County Board meeting.

As a result of this resolution, the County Board Chairperson appointed the following to the Fair Park Study Committee:

- Dan Anhalt- County resident & Director of Continuing Education at UW-Washington County
- Dennis Boese- County resident & retired corporate manager of fair and festival marketing for Miller Brewing Co., Milwaukee
- James Core- County Board Supervisor
- Rick Gundrum- County Board Supervisor
- Todd Healy- County Board Supervisor
- William Meyers- County Board Supervisor
- Herbert Tennes- County Board Chairperson
- Anthony Warren- County resident & Chairman of the Board at West Bend Mutual Insurance Company

Chairman Tennes requested that Paul Roback, Community Development Educator at UW-Extension Washington County, provide research and facilitate the meetings of the Fair Park Study Committee. Paul Roback worked with the Administrative Team of Chairman Tennes, Administrative Coordinator Doug Johnson, Finance Director Sue Haag and County Attorney Kim Nass to develop a purpose statement for the Fair Park Study Committee, meeting schedule and process overview.

## PURPOSE STATEMENT OF THE FAIR PARK STUDY COMMITTEE

---

### **To explore various options and make a recommendation to the Washington County Board regarding future Washington County involvement with Fair Park.**

The study committee was charged with looking forward to future operations, not examine previous decisions that led to the current Fair Park fiscal challenges.

## OVERVIEW OF STUDY COMMITTEE MEETING SCHEDULE

---

### Session I- March 24, 2009

- The Study Committee met and reviewed the purposes statement, meeting schedule and process overview.
- Paul Roback presented the history, mission, vision and development of Fair Park. Additional information was presented on the County / AIS relationship and lease agreements.

### Session II- April 1, 2009

- Dan Dineen, a representative from the Washington County Agricultural and Industrial Society, Inc. (AIS) Board, presented an over view of AIS, number and types of events, capital improvement projects and the status of donated pledges. Additionally, Dan Dineen presented the short-term and long-term needs for AIS to continue operating Fair Park.
- Kandi O'Neil, UW-Extension 4-H Youth Development Educator presented an overview of 4-H's involvement in the development of Fair Park, relationship with AIS, fundraising efforts, facilities usage memorandum and the impact of Fair Park on 4-H programs.

### Session III- May 11, 2009

- Doug Johnson, Administrative Coordinator, presented information on the County operating Fair Park, which included cost, staffing, department and committee oversight and information on operating Fair Park as a seasonal or a year-round operation.
- Sue Haag, Finance Director, reviewed information on Fair Park 2006-2009 income and expenses, monthly revenues and expenses by event type for 2008 and the 2008 Washington County Fair income statement by day.
- Paul Roback presented research on fairground operations for Dodge, Fond du Lac, Jefferson, Langlade, Walworth and Waukesha Counties.

### Session IV- June 8, 2009

- Sue Haag presented information on debt and ownership of fair Park buildings and the AIS audit report.
- Kim Nass, County Attorney, reviewed AIS contract alternatives and legal issues. (Appendix B)
- Sandy Lang, Fair Manager & Interim Fair Park Director, reviewed a summary of revenue strategies discussed by AIS.
- Paul Roback reviewed seven Fair Park alternatives. The Study Committee discussed the two alternatives related to operating a seasonal Fair Park facility and voted to eliminate Alternatives #5 & #6 from consideration.

#### Session V- August 10, 2009

- Paul Roback reviewed additional research on the fairgrounds operations in Fond du Lac and Waukesha Counties.
- Paul Roback also presented information on conducting an economic impact study of Fair Park. The Study Committee agreed to include conducting this study as part of a final recommendation to the County Board.
- Paul Roback reviewed the results of a dialogue worksheet, which was a survey sent to Study Committee members asking them to identify opportunities and challenges for each of the five remaining alternatives. As a result of the Study Committee discussion of these results, the Study Committee eliminated Alternatives #1, #4 and #7 from consideration.
- Sue Haag presented a preliminary report on 2009 Fair attendance and the 2009 credit agreements between AIS and the County.

#### Session VI- August 21, 2009

- Paul Roback reviewed the mission and philosophy of Fair Park and the purpose of the Study Committee.
- Kim Nass presented legal issues concerning public financing.
- AIS representatives presented information on Fair Park operations and future plans for marketing and promotions.
- Paul Roback reviewed Fair Park performance metrics developed by the Study Committee and the performance expectations approved by the Education & Culture Committee in April 2009.
- The Study Committee eliminated Alternative #3 and approved Alternative #2 for recommendation to the County Board.

#### Session VII- August 24, 2009

- Review and approval of Study Committee report

---

## OVERVIEW OF STUDY COMMITTEE RESEARCH

---

### HISTORY OF THE DEVELOPMENT OF FAIR PARK & AIS

---

Although it has been a long journey to get to where we are today, there are a few key themes that emerge in the following history of the County Fair and Fair Park development. First, citizen involvement and volunteers have been a critical component of the County Fair since its inception in 1867. Second, Washington County has had a long history, dating back to 1867, in financially supporting the Fair and playing an active role in improving the County Fair and fairgrounds. Third, there have been multiple times throughout the Fair's history where the County has established study committees to address concerns with the growing County Fair. The result of this process was careful financial consideration by the County Board in the development of the Fair Park site, which included planning a site to accommodate the needs of the County for the next 30 years and the development of a year-round multi-purpose building large enough for youth projects. The following is a brief history of the County Fair and development of Fair Park site.

The first County Fair was organized by citizens in 1858 and was held at the Courthouse Square. In 1867, the fair moved to a larger site west of the current location of Fair Park School in West Bend and the County annually supported the fair financially over next 70 years. In 1937, the citizen group struggled financially and bankrupts. At this time, the County takes over fair and moves it to the 13-acre Highway Department site in Slinger.

UW-Extension Washington County, a County department, managed the Fair at the Slinger site. The fair grew considerably during this time and in the 1940's, a County Committee studied relocating the fair due to concerns with crowded grounds, safety issues, growth of exhibits and business and traffic congestion. In the 1950's, attendance was estimated at 35,000 over the 4-day fair.

In the 1970's, the County Board appointed a second Study Committee to seek alternate sites for the fair. In 1978, the County purchased the 120-acres Gundrum Property and the next year the County appointed a Fair Expansion Committee. This committee identified several property concerns, including sewer and water, parking and location. The County does not proceed with the Gundrum Property as a fair site and it is now Heritage Trail County Park.

In 1988, a third study committee was formed to identify an alternate fair site. The concerns identified during this process included funding, location and the need for a year-round facility. During these years, the Fair continues to grow. From 1987-1997, annual Fair attendance ranged from 40-60,000. Deficiencies of site were identified, which included space, utilities, health and safety.

In October 1992, the County Board authorizes the Fair Committee to work with volunteers to study the feasibility of a county-wide multi-use center at Fair Grounds. These volunteers included representatives from fair programs, businesses, service clubs and charitable organizations. This committee recommended that a new fair site location should include 60-80 acres of usable land for a county fair and a year-round multi-use center. Grants, gifts and fees could offset the operational costs of this facility.

In July of 1994, the County Board authorized in Resolution No. 17-94-95 the establishment of the Washington County Fairground Development Advisory Committee. This 9 member (later expanded to 11) committee was tasked to formulate goals and objectives to prepare for the use of the new fairgrounds site and plans for the related structures, including methods of managing and operating these facilities. Additionally, this resolution advanced \$10,000 from the general fund for a consultant to conduct a feasibility study of a county-wide multi-use facility.

In November 1994, the County Board held a meeting at Cedar Lake Campuses and discussed the needs and the future of the County Fair. UW-Extension Washington County facilitated small group discussions and a consensus building process. Goals that were identified through this process included:

- Permanent multi-use building for year-round conferences, meetings, fair use and youth projects
- 60-100 acres site for grandstand and ample parking- sized for next 30 years
- Multi-purpose building big enough for all youth projects and exhibits
- Centrally located for all county residents

---

## MISSION & PHILOSOPHY OF FAIR PARK

---

In November 1995, the County Agriculture and Extension Education Committee developed the mission and philosophy of Fair Park. These were later utilized by the Fair Park Study Group in the Business Venture Plan, the guiding document for the development of Fair Park.

### Mission

To enhance cultural, education, economic, and social opportunities for the people of Washington County.

### Philosophy

We believe the new multi-purpose facility will:

- Enhance the quality of life for residents
- Be a gathering place for youth, families, businesses and general public
- Provide year-round educational and recreational opportunities
- Reflect Washington County heritage and present life
- Be a showcase for Washington County people and products

We believe the administration and operation of the new multi-purpose facility will:

- Be under the direction of the Washington County Board and Committees
- Support youth, families, and communities as the primary goal
- Develop economic sustainability in response to market demand
- Be user friendly
- Be consistent with Washington County policy of ownership of facilities, but adopt equitable use policy for various groups and donors

We believe the design of the new multi-purpose facility will:

- Include a master plan which accommodates future growth
- Be architecturally consistent with a central theme
- Include easy access and be accommodating to the user
- Create a natural, park-like setting
- Support a variety of on-site education exhibits, demonstrations and other learning opportunities
- Provide on-site recreational opportunities

---

## COUNTY CONSULTANTS FOR FAIR PARK DEVELOPMENT

---

In 1995, the County hired Markin Consulting to study the market conditions for a county-wide multi-use year-round facility. The Markin Report found that there is strong market support for a new fairgrounds and multi-purpose facility and that it will contribute important social, education and economic benefits for Washington County. This facility would fill a void in community needs for exhibition space and multi-use meeting facilities. Additionally, the Markin Report found that without a new fairgrounds, the County Fair is in danger of stagnation and decline. Another motivating factor to develop a new fairgrounds is that the Markin consulting report stated that the

Fair would not receive a variance from the Wisconsin Department of Health to operate the Fair after 1995 unless a commitment was made to move the fairgrounds.

In 1996, the County hired the Fair Park Group, which included the following businesses:

- Graff & Associates, Inc., a local consulting firm specializing in fundraising and planning for non-profits and public/private partnerships
- Graef, Anhalt, Schloemer and Associates, Inc., an engineering firm
- BHS Architecture Inc.
- Jennings & Associates Landscape Architecture

The Fair Park Group performed a random sample of businesses contacted in the Markin Report and confirmed the finding in the Markin Report. The Business Venture Plan developed by the Fair Park Group included the mission and vision of Fair Park, site acquisition, a conceptual master plan, project timeline, business pro-forma, buy back potential, preliminary operational assessment, site master plan, building renderings, a comparison study of similar facilities and projected 4-H facilities usage.

The Fair Park Group utilized public participation in the in the development of the Business Venture Plan. This plan listed that the first priority should be the development of the Fair Park Pavilion development (year-round multi-use facility) and the second priority should be hiring of a Fair Park director.

Today, Fair Park represents a \$23 million investment by Washington County. The Fair Park land, Pavilion and site improvements are owned by the County. Although the County has financially contributed to additional buildings at Fair Park, including the Zeigler Expo Center, these buildings are owned by AIS. It is anticipated that the County debt for Fair Park will retire in 2018.

---

## OVERVIEW OF KEY FAIR PARK RESOLUTIONS

---

### 1995 Resolutions

- 30-95-96: County Fair Development- Concept Approval
- 31-95-96: Authority to Take Options
- 46-95-96: Authority to Accept Fair Donations

### 1996 Resolutions

- Resolution 9: Authorization to Acquire County Fairgrounds Site: 133 Acres in the Town of Polk
- Resolution 36: Approval for Hiring a County Fair Site Project Manager: Fair Park Group
- Resolution 54: Named the future site of Fairgrounds as “Washington County Fair Park”

### 1997 Resolutions

- Resolution 8: Fair Park Site- Adoption of Master Plan 2A that will serve as a guide for consultants, county supervisors, county committees and staff

#### 1997 Resolutions

- Resolution 11: Selects Village of Jackson as sewer and water provider. Approximately 1.5 miles of County constructed sewer and water lines.
- Resolution 12: Authorization to develop alternative fair development proposal (failed 14-15-1). \$10 million cap.

#### 1997 Resolutions

- Resolution 12: Fair Park Master Plan Implementation Spending Cap. (Initial implementation at \$12.2 million)
- Resolution 60: Fair Park Consultant: Addendum to Contract- County extends contract with consultant to create Washington County Agricultural and Industrial Society, Inc. (AIS)- unanimous vote

#### 1998 Resolutions

- Resolution 12: Livestock Building Proposals- \$400,000 in donations
- Resolution 15: Lease agreement with AIS
- Resolution 16: Grant to AIS of \$900,000 for Livestock Buildings
- Resolution 66: Livestock Building Construction
- Resolution 54: Asphalt, Grading and Utility Work (\$1 million)
- Resolution 92: Site Electrical & Communications Equipment (~\$546,000)
- Resolution 93: Sewer & Water Service (~\$2.7 million)
- Resolution 103: Landscaping, Site Structure and Fencing (~\$392,000)

#### Resolutions 1999

- Resolution 17: Acceptance of donated structures
- Resolution 29: AIS- Ag complex building structures
- Resolution 45: AIS- Seeding & grading of Fair Park Amphitheater
- Resolution 50: AIS- Equestrian Building Construction Phase I
- Resolution 90: Acceptance of WTKM Stage
- Resolution 91: Acceptance of Lions & Lioness shelter

#### 2001 Resolution

- Resolution 40: Transfer of \$230,000 from the general fund to AIS in order to cover operating expenses and required monthly reports to Ag & Ext. Committee and quarterly reports to Finance Committee

#### 2009 Resolutions

- Resolution 65 (passed): Fair Park Study Committee
- Resolution 66 (failed): Intent to Acquire all Buildings Constructed at Fair Park
- Resolution 67 (tabled): Grant to AIS: Ziegler Expo Center Construction Costs
- Resolution 68 (passed): Grant to AIS: RV Utilities & Improvements

---

## AIS LEASE & AGREEMENT

---

In 1999, the County entered a lease with AIS to construct, maintain and operate a county fair and year-round activities. The County entered this lease agreement in order to maximize the potential for AIS to obtain private sector donations and to allow for public input into the operation of the county fair and Fair Park site. This lease was for 10-years and allowed for two 5-year renewal options for AIS. The base rent was established at \$149,553 and allowed AIS to construct buildings at Fair Park with County approvals. The County was responsible for maintenance, utilities, insurance, building exteriors, parking lots and common areas. As part of this lease, the County kept third-party rent from the Pavilion.

In addition to the lease, the County entered into an agreement with AIS. Highlights from this agreement include:

- AIS agrees to maintain 501(c)(3) status
- County authorizes AIS to operate county fair
- AIS agrees to maintain a fundraising effort
- Mentions flexibility between County and AIS in assignment and execution of duties
- AIS records shall be maintained as public records
- AIS not required to follow County or State purchasing requirements
- County required to maintain and repair all structures leased, but costs are to be included in base rent
- AIS shall obtain necessary staff to operate Fair Park & train volunteers

One important section of this agreement states that the “County agrees to appropriate a sufficient sum to offset the lease payment for the year 1999. Future off-setting requirements may be necessary if the Society revenues are insufficient to meet all of the Society’s obligations with respect to the fair and related activities.”

In 2000, the County passed an addendum to this agreement. Highlights from this addendum include:

- AIS assumes financial responsibility for Pavilion
- AIS is responsible for all operating costs
- AIS retains all revenues from users of the Fair Park site
- AIS assumes responsibility for Fair Park Directors contract & provides reports to County Extension, Agriculture and Fair Committee
- County continues to employ Deputy Director and pays utilities, cleaning and maintenance. County will invoice AIS for these costs.
- Levy for Fair Park will be made in 4 installments- October, January, April and July
- AIS retains surplus earnings and the County may consider this surplus when setting annual levy for Fair Park Operations
- AIS must perform an annual certified financial audit

## AIS OPERATIONS

---

Based on the findings of the Fair Park Group Business Venture Plan, the Washington County Board extended the Fair Park Group's contract to establish the Washington County Agricultural and Industrial Society, Inc. (AIS) through 1997 Resolution 60. The County established AIS in order to maximize the potential to obtain private sector donations and to allow for public input into the operation of the county fair and Fair Park site. In addition to creating AIS, the County contracted with the Fair Park Group to hire a director to oversee the operations of Fair Park. When this contract expired, the director became an employee of AIS. In addition to the director position, there were two additional county employees at Fair Park, including the Fair Manager and a maintenance employee. Today, there are no county employees at Fair Park and all Fair Park staff are employed by AIS.

The AIS is organized as a 501c(3) and is a membership based organization. There is a volunteer board of seventeen directors who are elected from the membership. Two of the board members are County Board members who are appointed by the County Board Chairperson. The AIS operates according to their by-laws and each board member signs an annual commitment letter and abides by the Board of Directors Manual. There are seven committees of the AIS Board, including Executive, Finance, Building, Entertainment, Personnel, Fundraising and Special Event.

In addition to the six full-time staff and three part-time staff at Fair Park employed by AIS, there are twenty-five volunteers that are called upon for various activities at Fair Park. Additionally, there are over 200 volunteers who work beverage, ticketing and other activities at the Fair. Student volunteers also assist at various special events. Countless 4-H volunteers have helped with grounds work and other project throughout the history of Fair Park.

Nearly 300 events are held at Fair Park annually and each event that is scheduled meets the mission of Fair Park, "To enhance cultural, education, economic, and social opportunities for the people of Washington County." In 2009, approximately 47% of the events were educational, 27% social, 22% economic, 3% cultural and 1% were a combination of these activities. Usage by 4-H is considered educational because 4-H is an educational program of the University of Wisconsin – Extension. The Washington County Fair is the largest event at Fair Park. Event rental is equal to 20% of the Fair Park annual income budget.

Fair Park relies heavily on annual repeat business. Seventy-eight clients have come back with the same event at least five consecutive years and one craft show organizer has hosted 22 shows in 10 years. Over the past three years, Fair Park has had a 97% retention rate of repeat events. There are 59 annual repeat events at Fair Park.

The AIS has played an active role in fundraising for Fair Park. To date, over \$1.9 million has been pledged. Additionally, the County Fair benefits from AIS soliciting sponsors and in-kind donations. In 2008, over \$90,000 was raised in sponsorship dollars and \$25,000 was raised in in-kind donations. Over the past 10 years, AIS has also contributed over \$200,000 to improvements on the Fair Park property.

In addition to taking on the cost of all employees at Fair Park, the AIS is also responsible for the property and liability insurance. Originally, this was covered under the County policy. However, the County policy will not cover buildings that the County does not own. This has added an

additional burden to the operational budget of AIS. If Washington County were to purchase the buildings AIS owns at Fair Park, this would decrease the property and liability insurance for AIS without substantially increasing the insurance cost for the County.

---

### AIS SHORT-TERM AND LONG-TERM NEEDS

---

At the April 1, 2009 Study Committee meeting, Dan Dineen, a representative from the AIS Board, presented the following short-term and long-term needs identified by the AIS Board.

The AIS short term needs include:

- Help with cash flow for operations
- Help with cash flow for the upcoming County fair
- Help with building bills not being contested
- Mutual understanding and respect for operations, staff and volunteers
- Understanding of the economic impact of Fair Park for Washington County
- Understanding the fact that AIS is not a county department, but is a non-profit organization

The AIS long term needs include:

- Establishment of a realistic levy and a plan for continuation of the levy
- Establishment of a contingency fund so Fair Park can self fund in difficult years
- Update lease and operations agreements
- Careful review of expenses and potentially bidding out services that are not contracted through the county
- Realistic goals and objectives for Fair Park

---

### 4-H RELATIONSHIP WITH FAIR PARK

---

The UW-Extension 4-H Youth Development program integrates research, education, and community based partnerships, enabling youth to learn and practice skills to be productive citizens. UW-Extension is a partnership between the University of Wisconsin system and Wisconsin Counties to apply University research, knowledge and resources to meet the needs of Wisconsin people, wherever they live or work. In Washington County, there are 750 youth in 18 4-H community clubs. Annually, there are 1,200-1,400 youth involved in 4-H outreach programs. There are over 310 adult volunteer leaders and 160 youth leaders.

The 4-H program is an integral part of the Washington County Fair event, which is the largest event held on the Fair Park grounds during the year. 4-H has year-round meeting space needs for shooting sports, dog training, animal project meetings and large training programs that require multiple rooms. The space needs for current and future 4-H activities were detailed in the Fair Park Group's Business Venture Plan and was part of the rationale in the County's decision on the size of the Pavilion building.

A Memorandum of Agreement between Fair Park and 4-H regarding the use of Fair Park facilities was adopted by the Education and Culture Committee in January of 2001. The overall philosophy of this agreement is that the policy and intent of Fair Park is to increase support for the 4-H Youth Development Program by encouraging the use of Fair Park facilities as a site of organized youth

activities and programs. Special emphasis was placed on the use of the 4-H Wing (rooms 112 & 114) of the Pavilion and on the Small Animal Building. Initially, 4-H was given a 25% discount on rental rates. This policy evolved from 2001-2004 and it was mutually agreed by 4-H and Fair Park that a flat rate of \$52,000 would be paid. This amount is a line item in the UW-Extension Washington County Budget. Both Fair Park and 4-H have worked to be flexible with programs to assist with outside bookings whenever possible. 4-H activities have been relocated or rescheduled in order to accommodate outside bookings. Additionally, 4-H volunteers assist with many of the set-up and take downs of 4-H activities at Fair Park.

There were approximately 150 4-H activities at Fair Park in 2008. Several of them may have occurred on the same day and even in the same room. Of these activities, 40-50 were in the Pavilion, which includes the meeting rooms in the 4-H Wing and the open space in the Pavilion. Dog training meets weekly in the Pavilion open space. Additionally, there were 65 uses in the Small Animal Barn, primarily for shooting sports, and 35 uses by the 4-H Saddle Club in the arenas, horse barn and room 112.

The 4-H Leaders Association has been a partner in fundraising efforts at Fair Park. Over \$89,000 has been raised by the Leaders Association and \$100,000 through the Buy-a-Brick Program. The 4-H Leaders Association specifically raised funds for the 4-H Wing in the Pavilion and Fair Park signage along U.S. Interstate 45.

The Fair Park facility has increased the educational impact and capacity of 4-H by providing facilities where youth and adult leaders can provide training for youth in subject matter areas. Significant training takes place in the areas of environmental education, animal science projects as well as communication/cultural arts.

## COUNTY OPERATING FAIR PARK

---

The three main issues to consider of the county directly operating Fair Park are staffing costs, building ownership and organizational features. Staffing costs were calculated using similar positions to the current AIS operations. For the same core staffing plan, county operations would require \$352,600 for staffing. This is \$89,000 more than AIS's operation plan. The main difference in this increase is the fringe benefits of County employees.

The County currently owns the Pavilion building and AIS owns the Ziegler Expo Center, storage building, restroom building, stage and donated structures. The original logic for AIS to own these buildings is that they could solicit private donations and to allow flexibility in construction projects that would not be afforded if the County constructed the buildings. One challenge of this structure is that the County's insurance will not cover structures that the County does not own. AIS has to budget for the property and liability insurance. Another fiscal challenge of this structure is that AIS needs to show depreciation of these structures in their financial statements. If the County were to own these structures, they would be covered under the County's insurance and AIS would not have to show the depreciation. Additionally, the County has building construction and maintenance experience.

Government and private non-profit organizations would provide differences in organizational features, which would impact the operations at Fair Park. Specific issues identified include accountability structures, pay plans, fee setting, payroll and administration.

## OTHER COUNTY FAIRGROUND OPERATIONS

---

Research was conducted on the operations of the fairground facilities at Dodge, Fond du Lac, Jefferson, Langlade, Walworth and Waukesha Counties. This research was then compared with Washington County Fair Park. From this research, there appears to be no preferred method to operate county fairgrounds. Each fairground-county relationship is unique to that particular county.

In Dodge and Walworth Counties, a non-profit fair association owns the fairgrounds and operates the county fair and other activities. In Dodge County, the fairgrounds are a seasonal operation with no full-time staff. Dodge County contributes \$17,000 per year to defray the costs of the junior fair. In Walworth, a non-profit operates a year-round multi-use facility, employs two full-time and two part-time year-round employees and receives \$10,000 from the county for junior class premiums. The non-profit's operating annual operating budget is over \$1.4 million.

In Jefferson and Langlade Counties, each county owns and operates the fairgrounds. Jefferson County has a year-round facility, employees five full-time staff and contributes \$300,000 in levy for fairground operations. Langlade County operates a year-round facility, but the youth hockey group uses the entire facility from November through March. Langlade County employs seven to operate the fairgrounds, contributes over \$111,000 in levy towards operations and \$122,000 in capital improvements in 2009.

In Fond du Lac and Waukesha Counties, each county owns the fairgrounds and operates year-round events while a non-profit operates the annual county fair. Although these two counties have similar structures, they operate differently. Fond du Lac County employs three staff for fairgrounds operations, budgets \$350,000 of levy to fairground operations and \$100,000 to \$200,000 of levy for capital improvements. The county and non-profit association has a ten-year contract and the association receives free rent for a year-round office and is not charged by the county to use the fairgrounds for the county fair. The association has no year-round staff and hires seasonal help for the fair.

Waukesha County employs four full-time employees and 10-20 seasonal employees. The County contributed \$20,000 in levy in 2008 and funds capital improvement projects through the parks department budget when they are needed. The year-round facility, Expo Center, is managed by a county employee who oversees marketing, bookings and daily operations. The County contracts with outside vendors for liquor and catering. The non-profit association employs one full-time year-round employee and hires additional staff for the fair. The association pays the county \$84,000 for use of the fairgrounds for the fair event. These fees include the cost for county employees to set-up and take down the fair event.

Additional information in this research can be found in Appendix A.

## FINANCIAL CONSIDERATIONS

---

Currently, AIS does not utilize true cost accounting where revenue would be directly reported against expenses. However, AIS does follow accrual basis of accounting and undergoes an annual audit. This is consistent with non-profit accounting practices. The most recent audit was completed by Schenck & Associates for the year ending December 31, 2008. A Note in the report states "...the Society has incurred unplanned construction costs that have incurred excessive debt covenants that raise substantial doubt about its ability to continue as a going concern." The Society obtained a three-year loan of \$500,000 from the State Bank of Newburg in July of 2008 to help pay for the additional building costs. The principal portion of that loan is due in full in July of 2011. Interest is accrued monthly on the principal balance at the rate of 6% and is paid in monthly installments.

The AIS reimburses the County for actual costs for labor, maintenance, utilities, insurance and other expenses paid by the County. In order to show support that the 2009 Washington County Fair could be organized and successful bookings be made, the County Board passed a resolution to delay the January-June monthly invoices from Washington County until August 31, 2009.

If the County were to purchase the Ziegler Expo Center from AIS, a 10-year State Trust Fund Loan could be secured on a \$500,000 purchase amount with an interest rate of 4.5%. With a State Trust Loan, the County would have to meet the public debt requirements which prevent a for-profit entity from operating Fair Park during the 10-year term of the loan. However, additional principal payment or prepayment of the full State Trust Fund Loan can be made between January 1 and August 31 of each year with no penalty or fee. It is anticipated that the current County debt for Fair Park will retire in 2018. Purchase of the Fair Park buildings would require a three-quarters vote by the County Board. A complete inventory of what is included with ownership would need to be established prior to purchasing.

In order for the County to take ownership of all the Fair Park buildings, there cannot be any liens on them. Currently, there are outstanding contractor bills for the Ziegler that AIS is contesting. These bills are currently about \$256,000. The County can explore several funding mechanisms for paying the net outstanding contractor debt. This may include using sales tax revenues, adding it to the State Trust Fund Loan or utilizing the County's General Fund. The net outstanding contractor bills plus the \$500,000 Newburg State Bank loan represent the true cost to the County for purchasing the Ziegler Expo Center.

The County Fair is a revenue generator for the Fair Park operations. Historically, revenue from this event was used by AIS to fund operations and to reduce county levy contributions. In order to meet the mission of Fair Park, AIS has met the needs of the community with reduced rental agreements and it has on occasion hosted community events for free, such as the Law Enforcement Memorial. Due to their relationship with Fair Park, 4-H has a separate Memorandum of Agreement for an annual flat rate (see pages 14-15 for additional details).

The following table illustrates the County Levy and Capital Improvement expenditures from 2000 to 2009. The levy amount had decreased from a high of \$493,081 in 2001 before it leveled off to \$205,000 from 2006-2008.

County Fair Park Levy and Capital Improvement Plan 2000-2009

Year	Levy	Capital Improvement	Total
2000	\$249,439	\$1,200,000	\$1,449,439
2001	\$493,081*	\$625,000	\$1,118,081
2002	\$355,546	\$250,000	\$605,546
2003	\$349,800	\$300,000	\$649,800
2004	\$318,800	\$351,668	\$670,468
2005	\$215,000	\$300,000	\$515,000
2006	\$205,000	\$280,000	\$485,000
2007	\$205,000		\$205,000
2008	\$205,000	\$640,000	\$845,000
2009	\$190,000	\$180,000	\$370,000

\* Includes original levy amount of \$263,081 and \$230,000 from 2001 Resolution 40 (see page 11 of this report)

In April 2009, the Washington County Education and Culture Committee approved a Fair Park Capital Improvement Plan, which allocates over \$74,000 in 2010 and \$100,000 in each year for 2011-2015. These allocations are for recommended maintenance of the Fair Park facilities and grounds.

### LEGAL CONSIDERATIONS

The current Lease and County Fair Agreement was dated April 1, 1999 with an Addendum dated January 19, 2000. Although the spirit of this agreement was met, some details were not. County Attorney Kim Nass presented three options to the Study Committee for consideration. Option 1 would be based on the assumption that a non-profit organization is recommended for future operations of Fair Park. By state law, there cannot be a for-profit organization running Fair Park while tax dollars are still being used to pay off debt for the facilities. This option would include a standard lease for the grounds and an operating agreement with performance standards. Option 2 would be based on the assumption that Fair Park is a county operated department or division. Option 3 continues the current operations with the AIS renewal given in January, 2008. The Fair Park Study Committee recommendations and County Board action will determine the legal arrangement and documents necessary. The contract alternatives and legal issues can be found in Appendix B.

## ECONOMIC IMPACT ANALYSIS

---

Several Study Committee members expressed a desire to understand and quantify the economic benefit of Fair Park on Washington County. UW-Washington County (UWWC) has recently completed economic impact studies for Cedar Community and Synergy Health. An economic impact study would measure the impact on Washington County of Fair Park payroll, where money is spent and what the money is spent on. This study would not measure program effectiveness or efficiency. Additionally, this study would not determine if Fair Park is meeting its mission “to enhance cultural, education, economic, and social opportunities for the people of Washington County.”

The most time consuming part of conducting this study is the collecting, coding and imputing the data into IMPLAN database and software. Since AIS has recently completed an audit and has compiled detailed data for the Fair Park Study Committee, data collection for this process should be fairly easy to obtain.

A detailed study could be completed in approximately 4-6 weeks and would cost between \$15,000 and \$18,000, dependent on the availability of data and the amount of work needed to do a complete study. Cost is dependent on available data and the amount of work requested. For example, the cost could go up if the County was interested in measuring the economic impact of the Fair event separately from all of the non-Fair activities at Fair Park. A more accurate quote can be provided once the parameters for the project are defined. The County may want to seek collaboration with additional funding partners in the community.

Since there was a cost associated with performing an economic impact study, the Washington County Finance Committee and County Board would have to approve this expenditure because the Study Committee was not provided a budget. The Study Committee agreed to include conducting an economic impact analysis as part of their recommendation to the County Board.

## FAIR PARK ALTERNATIVES

---

Based on the discussions of the research presented during Study Committee meetings, the following seven alternatives were developed

- 1) County has building ownership and operates fair and events
- 2) County has building ownership and AIS operates fair and events
- 3) County has building ownership and operates events – AIS operates fair
- 4) County has building ownership, another organization operates events & AIS operates fair
- 5) County owns a seasonal facility and AIS operates fair and events
- 6) County owns a seasonal facility and operates events – AIS operates fair
- 7) Status Quo – Mixed building ownership and AIS operates fair and events.

---

## ALTERNATIVE ANALYSIS

---

The Study Committee discussed and analyzed each of the seven alternatives.

---

### ALTERNATIVE #1 (COUNTY HAS BUILDING OWNERSHIP AND OPERATES FAIR AND EVENTS)

---

There are several opportunities that were identified with this option, including that the County would have complete control of the facilities and operations at Fair Park. The County has an understanding of capital needs at Fair Park and has experience managing capital improvements. There would be a reduction in insurance cost and depreciation of capital assets would not be an issue for the County. Additionally, there are methods of public financing for capital projects.

The Study Committee identified several challenges with this option. The greatest concern for this option is cost of building ownership and hiring additional county staff. The cost of building ownership would be negotiated with AIS, but would most likely be the costs associated with the Ziegler Expo Center (\$500,000 loan & net outstanding contractor bills, about \$256,000). Additionally, the County has no expertise in marketing and operating events. If the County hired the same number of staff as AIS with similar experience, it would cost the County \$352,600 in salary and fringe benefits. The County would also need to budget for all of the operating expenses associated with Fair Park events and the County Fair. There is also concern in decreased interest in volunteering, sponsorships and donations with this alternative. The County is also bound by rules and structures that make it difficult to react to rapid market condition changes.

Due to the public financing of Fair Park, the County cannot contract operations of Fair Park to a private for-profit entity until the debt is retired in 2018. However, the County could hire an employee to manage Fair Park and then contract with private vendors for many of the functions at Fair Park, including marketing, liquor vending, catering, maintenance and event coordination. It is unknown if contracting for these services would be more cost effective than having County employees operate these functions.

---

### ALTERNATIVE #2 (COUNTY HAS BUILDING OWNERSHIP AND AIS OPERATES FAIR AND EVENTS)

---

As with Alternative 1, the County would control the capital infrastructure at Fair Park. The County has an understanding of capital needs at Fair Park and has experience managing capital improvements. There would be a reduction in insurance cost and depreciation of capital assets would not be an issue for the County. Additionally, there are methods of public financing for capital projects.

Currently, AIS does not have a viable financial plan for the Ziegler Expo Center. This option would remove the building debt, contractor debt, decrease insurance cost and remove building depreciation from the AIS financial statement.

With this alternative, the County would not have to hire additional county employees. AIS can continue to attract volunteers, sponsorships and donations. Additionally, AIS can more easily react

to market conditions for event bookings and build staff around the skills needed to manage and promote events.

Several challenges were identified with this alternative. The cost of building ownership would be negotiated with AIS, but would most likely be the costs associated with the Ziegler Expo Center (\$500,000 loan & net outstanding contractor bills). A new lease agreement with AIS is needed to assure that operations meet county expectations. There is no marketing plan for Fair Park and there is concern that AIS lacks expertise in this area. Current accounting practices make it difficult to determine the actual costs (fixed and variable) of each event in order to assess when setting event rates and fees.

---

### ALTERNATIVE #3

#### (COUNTY HAS BUILDING OWNERSHIP AND OPERATES EVENTS – AIS OPERATES FAIR)

---

Under this alternative, there would be the same opportunities and challenges of building ownership as detailed in Alternatives #1 & #2. As in Alternative #1, the County lacks expertise in marketing and operating events and would have to hire county staff. Staffing costs would be less than Alternative #1 for the County because AIS would operate the Fair event. It is unknown exactly how much staff the County would have to hire. Utilizing the research on Fond du Lac and Waukesha Counties, Washington County would most likely have to hire three to four full time and additional part-time and seasonal staff.

The AIS has successfully operated the County Fair and this alternative would capitalize on their expertise. However, it is unknown if AIS would want to continue as an organization if they were only operating the Fair event. Another challenge is that the revenue from the Fair event offsets year-round operating expenses at Fair Park. The County would have to raise the fees for events at Fair Park or charge AIS rent for use of Fair Park for the Fair event. Waukesha County charges the Waukesha County Fair Association \$84,000 for use of the Waukesha County fairgrounds for their fair event. Another challenge with this alternative is that the leveraging of economies of scale would be diminished. Both the County and AIS would need employees and/or consultants to perform similar functions, such as marketing.

---

### ALTERNATIVE #4

#### (COUNTY HAS BUILDING OWNERSHIP, ANOTHER ORGANIZATION OPERATES EVENTS & AIS OPERATES FAIR)

---

One opportunity of this alternative is that each major component of Fair Park (capital infrastructure, events and fair) would have an organization with expertise operating it, assuming that there is an organization with expertise to operate Fair Park events. The challenge of this is oversight and coordination. Currently, the County oversees one organization at Fair Park. This alternative would require the County to oversee two organizations at Fair Park.

Another challenge is that it would be difficult for a separate organization to only run events at Fair Park and make a profit due to the community events and 4-H usage. Due to the public financing of Fair Park, the County cannot contract operations of Fair Park to a private for-profit entity (see Alternative #1 for additional information). The most likely option for this alternative would be to

have a non-profit run the events at Fair Park. It is unknown if there is a non-profit that is willing or able to do this.

---

#### ALTERNATIVES #5 & #6

#### (COUNTY OWNS A SEASONAL FACILITY AND AIS OPERATES FAIR AND EVENTS) & (COUNTY OWNS A SEASONAL FACILITY AND OPERATES EVENTS – AIS OPERATES FAIR)

---

Both of these alternatives were quickly dropped from the study process. Two major concerns were identified. First, the philosophy for Fair Park that was identified in the Business Venture Plan is that there would be a year-round multi-use building. Discussion regarding the seasonal option revealed that the facility is used extensively year-round by 4-H as well as many annual events. Closing the Pavilion during certain seasons would conflict with this philosophy. Second, the county has invested over \$23 million at Fair Park. Operating a year-round facility maximizes the potential for profit.

---

#### ALTERNATIVE #7

#### (STATUS QUO – MIXED BUILDING OWNERSHIP AND AIS OPERATES EVENTS AND FAIR)

---

The AIS does not have a viable financial plan for the Ziegler Expo Center. Without financial assistance from the County, AIS would most likely default on their loan and would be unable to pay the outstanding contractor bills. The AIS would have to dissolve their organization and the buildings at Fair Park would revert to the County per the current lease agreement. In order to secure its \$23 million investment at Fair Park, the County would most likely pay the \$500,000 debt and net contractor bills. If this would occur, the County would have to then implement Alternative #1.

---

### STUDY COMMITTEE RECOMMENDATION

---

After careful examination of all seven alternatives, the Study Committee recommends Alternative #2. The county should purchase the buildings at Fair Park that the Washington County Agricultural and Industrial Society, Inc. (AIS) owns and that AIS should continue to operate events at Fair Park and the annual County Fair.

Additionally, the Study Committee recommends that the Washington County Board:

- Continues the mission of Fair Park (To enhance cultural, education, economic, and social opportunities for the people of Washington County) and continues a year-round operation with access for community events and 4-H.
- Negotiates a new lease agreement with AIS to ensure greater financial oversight and stronger operations.
- Develops mutually agreed upon performance expectations for AIS to measure the effectiveness of Fair Park operations that are evaluated annually by appropriate County Board Committee. (See Appendix C)
- Requires AIS to hire staff or consultants to enhance and strengthen the current skill sets of Fair Park staff. Specifically, expertise is needed in event marketing and bookings. A new marketing plan needs to be developed and implemented within a mutually agreed upon timeframe in

order to increase the number of event bookings and the profit from these bookings. AIS should also enhance and strengthen the skill sets of the AIS Board to ensure organizational effectiveness.

- Requires AIS to re-establish a reserve fund from Fair Park revenues with the ultimate goal of levy reduction.
- Requires AIS to develop accounting practices, such as cost-plus, that determines the actual costs (fixed and variable) of each event in order to assess when setting rates and fees in order to market Fair Park for the greatest return on investment.
- Hires a consultant within a mutually agreed upon timeframe to conduct an economic impact analysis of Fair Park in order to measure the full economic benefit of this facility for the County.

The Fair Park Study Committee encourages the Washington County Board to not consider this recommendation as the same proposal that was before the County Board in February 2009 for several critical factors. First, County ownership of Fair Park buildings ensures that the buildings are maintained and that capital improvement projects are effectively managed. Second, the above recommendation includes specific changes to ensure greater financial oversight and stronger operations. Third, several changes have occurred since February 2009, when the Fair Park Study Committee resolution was adopted by the County Board. These include:

- Resignation of the Fair Park Executive Director
- Remaining two county employees removed from Fair Park staffing plan
- Fair Park county capital plan repealed and a scaled back maintenance plan approved
- Washington County's Education and Culture Committee adopted Fair Park Performance Expectations in April 2009 (Appendix D)
- 2009 County Fair held with strong public support, including sponsors and a substantial private donation
- Fair Park met the 2009 credit agreements with Washington County. The first agreement was for \$250,000 for start-up money to pay entertainment and vendors in advance. AIS did not utilize these funds. The second agreement was for \$260,000 for change during the Fair, which was returned to the County the day after the Fair.
- The AIS Board membership has changed, including the resignation of one member, the addition of two members and the addition of a special advisor, who has expertise in non-profit finances, to the board's Finance Committee.
- The Fair Park Study Committee has carefully examined the situation and options for future Washington County involvement with Fair Park.

## APPENDIX A: OTHER COUNTY FAIRGROUNDS OPERATIONS

### Fairground Operations Comparative Matrix

Question	Dodge	Fond du Lac	Jefferson	Langlade	Walworth	Waukesha	Washington
1 Who owns your fairgrounds?	Dodge County Fair Assn. , a stockholder group	County	County	County	The Walworth County Agricultural Society, Inc.	County, Waukesha County Fair Association runs County Fair	County owns grounds & Pavilion
2 Who operates your fairgrounds?	Nine member board of directors, three members elected annually for a three year term	County	County	County	The Walworth County Agricultural Society, Inc.	County	AIS- a non-profit
3 What is the mission of your fairgrounds and/or operator of your fairgrounds?	Our goal always has been to showcase the talents of young and old alike and provide an affordable family entertainment venue	To provide the best possible site for various types of events and recreational activities, which will, in turn, help promote Fond du Lac County, and have a greater economical impact on the community.	Promote education, entertainment and economic growth	N/A	To entertain & promote our county & communities traditions, talents, diversity, vision & Agricultural Heritage in a secure and fiscally responsible way. And to promote education for the youth of the county through exhibits and competitions in 4-H, FFA and Open Class.	N/A	To enhance cultural, education, economic, and social opportunities for the people of Washington County.
4 Are your fairgrounds a year-round facility?	No	Yes & fairgrounds also includes Blue Line Family Ice Center, Park area, Fairgrounds Aquatic Center, and American Legion facility	Yes	Events April thru October. Antigo Youth Hockey November-March	Yes	Yes	Yes
5 How many staff operate your fairgrounds?	An incredibly dedicated board with some paid part-time help	3	(5) full time, (1) under 100 hours, and in summer a caretaker couple and (3) 600 hour summer staff. The County Fair is all paid staff and we will add another 15 people.	7	(2) full-time year round & (2) part-time year round plus additional (4) full time office staff in summer months and (4) full time maintenance staff in summer months	(4) full time, (10) winter seasonal & (20) summer seasonal	(5) full time, (3) part time- during the summer (2) part time maintenance become fulltime and we hire an additional 2 fulltime maintenance staff
6 Are they county employees?	No	Yes	Yes, all are	Yes	No	Yes	No
7 What is the estimated attendance at your county fair?	55,000	60,000-80,000	40,000 - 45,000	100,000	155,000 – 165,000	135,000	100,000+
8 What do you charge for admission to the county fair and what do you charge for parking? (Adult Fee)	\$6 before 2 PM \$9 after, free parking	Adults (15+) are \$6 until 3PM and then \$10 after	\$9.00, free parking	free admission, parking is \$3 a day or \$8,00 for 5-day fair	\$9 Adult, free parking	Adults \$9, parking \$5	Tues. evening \$2.00, Wed. \$6 all day, Thurs., Fri. Sat. is \$6 before 3:00 & \$10 after 3:00 Sun. \$6 all day Parking is free.

	Question	Dodge	Fond du Lac	Jefferson	Langlade	Walworth	Waukesha	Washington
9	What is the estimated year-round attendance at your fairground facilities?	N/A	750,000 plus – this number includes fair, aquatic center, and ice center	350,000	200,000	200,000 – 210,000	500,000	350,000-400,000
10	What is your county levy amount for fairgrounds operations?	No county levy, but the county contributes \$17,000 per year to defray the costs of the junior fair	\$350,000	\$300,000	\$111,763.00	Receives \$10,000.00 from the county for junior class premiums	\$20,000 levy towards a \$720,000-\$750,000 operating budget	\$190,000
10a	If it is not operated by the county, what is the total operating budget for the group that operates the facility?					\$1,450,000		\$1.7 million
11	What is your county levy amount for fairgrounds capital improvements?	None	\$100,000 to \$200,000	Usually about \$65,000. This year nothing	2009 - \$122,000; 2010 - \$200,000	N/A	Included in the County Parks Dept. Budget when needed	Varies by year and projects. Range from \$180,000-\$1.2 million
12	What are the number and types of events, besides the Fair, held at your fairgrounds annual?	An eclectic mix of races (cycle & car), cattle shows, swap meets, rummage sales, employee sales, appliance sales, camping groups, etc....	Trade shows, craft shows, flea markets, dog shows, livestock events, horse shows, RV rallies, concerts, car shows	300 event days - horse shows, flea markets, auctions, festival, car shows, animal shows (dog, cat, rabbit, llama, cattle, dairy, sheep), fund raisers, tractor pulls	15+ events per year including sports show, fundraisers, flea market and car show. Additionally, stock car races are held 15 times during May-Oct.	Approximately 20 camping groups, 1 craft show, dairy breakfast, relay for life, 2 day – dog show, 2 day – car show, 4 Antique Flea Markets, 4 – cattle sales and BMX racing all winter. Also rent out buildings in winter for storage. Rent bldgs to marinas in the area.	Weddings, banquets, flea markets, gun shows, horse shows, trade shows & business meetings	Conventions, conferences, meetings, seminars (63); Trade Shows (59); Weddings, banquets, fundraisers (67); Animal events (8); 4-H events (146)
13	What is the 4-H use of the fairgrounds? Are they charged a fee and is it the same fee you charge other users?	4-H is responsible for providing their intended dates of use to avoid scheduling conflicts and they are not charged	4-H uses the fairgrounds for horse shows, dog classes, tack swap, poultry & small animal fun day, horse clinics, and model horse show. Dog classes and horse clinics are not charged a fee. The other events are charged 30% of the normal rental fee.	\$4,000 from UWX to use grounds and facilities for the mtgs, fund raising, and practice. In 2008, UWEX used grounds 91 times. Other county departments will use the grounds at no charge for meetings.	Fair, horse shows, dog training and dog show. Fair time and if have event in front of grandstand - pay for utilities and janitorial supplies. Otherwise no charge.	4-H uses fairgrounds for meetings, events and dog & horse practice when it is available. The Fair Board does not charge any fee for them to use the fairgrounds.	4-H groups are not charged to use the grounds. Fairgrounds staff set-ups and tear-down events at a cost \$60,000 annually. 4-H does not pay this cost.	4-H holds 150-160 meetings / events at Fair Park per year and pays Fair Park \$52,000 annually for this use. These events encompass the entire 133 acres including both buildings and all barns. The 4-H fee is 25% less than the public fee. Volunteers assist with many set-ups and take-downs
14	Are there other revenue sources for your fairgrounds, such as grants, donations and event revenues?	Off-season storage as well as hosting a couple of large events	No	Approximately \$2-4,000 annually in grants for 4-H improvements, such as pens & bleachers	Event revenue - \$40,000/yr. Hockey assoc. pays for utilities & also pays to plow during hockey season.	Rental fees, grants for events and sponsorships during the fair	Event revenues	Sponsors for Fair, buy-a-brick campaign, event revenues & donations

## APPENDIX B: CONTRACT ALTERNATIVES AND LEGAL ISSUES

---

(Scanned Document)

### AIS Contract Alternatives and Legal Issues Fair Park Study Committee – June 8, 2009

#### Current arrangement

1. Lease and County Fair Agreement dated April 1, 1999
2. Addendum-County Fair Agreement dated January 19, 2000
  - a. Complex venture over a period of years to move fair operations
  - b. Evolving relationship between County and new organization
  - c. Agreements were written with the intent to provide maximum flexibility
  - d. Some provisions implemented, some not-overall compliance with spirit achieved

#### Options

1. Assume non-profit organization is recommended for future operations
  - a. **Standard lease for grounds**
    - i. Rent
      1. What is rent intended to cover?
      2. If buildings are acquired, rent to cover repayment of loan over 10 years? Payment deferred in first year?
      3. Should amount be all inclusive (utilities, insurance, maintenance)
      4. Zero rent in exchange for commitments in operating agreement
    - ii. Term/termination
      1. Long term arrangement
      2. Automatic renewal subject only to review of rental amount
    - iii. Interconnectedness
      1. Lease should be tied to an operating agreement
      2. Operating agreement needs to be connected to lease
    - iv. Parameters of use of grounds
      1. use of grounds must be consistent with mission statement of the organization
      2. year round operations, seasonal
      3. no offensive events-county grounds, community functions
    - v. County owns all buildings/structures?
    - vi. County maintains all buildings/structures?
    - vii. County insures all buildings/structures

- viii. Utilities, maintenance of grounds, infrastructure upgrades, capital improvements
  - ix. Default and Remedies
  - x. Organization cannot engage in new construction (buildings/infrastructure)
    - 1. County retains responsibility of planning and development of park-input from organization
    - 2. All new structures/improvements are at County's discretion
    - 3. County responsible for project oversight
  - xi. Signage-current lease addresses this-permanent signage, large kiosks should be at County's direction
  - xii. No liens on land/buildings-Lease should recognize this, if Board directs
  - xiii. No assignment of lease, subletting allowed as to donated structures with the County's consent and approval
    - 1. American Legion
    - 2. Farm Bureau
    - 3. Lions
  - xiv. Other standard boilerplate provision
- b. **Operating agreement** with performance standards
- i. Levy given in exchange for fair? Expectations with regard to levy?
  - ii. Requirements with regard to extent of operations (year round, seasonal)
  - iii. Expectations with regard to profits (tied to rent discussion)
  - iv. 4-H functions-need to address the how and when of 4-H functions
  - v. Compliance with meetings/records laws-current operating agreement addresses this
  - vi. County rights with regard to access/use of grounds-for county government use only, county will not supply access to other organizations
  - vii. 5 year plan-master plan and business plan from organization
  - viii. Provisions regarding accountability to County
    - 1. Reporting to a county liaison committee
    - 2. Requirement that organization will operate a year round facility
    - 3. Requirement that organization will operate a County Fair
    - 4. Annual audit
    - 5. Accessibility to financial information
    - 6. Market the facility
    - 7. Take all necessary and reasonable steps to be a viable business operation
  - ix. Other standard boilerplate provision

2. Assume county operated department or division
  - a. Need transition plan from AIS to County operations
    - i. Need to address current AIS rental commitments
    - ii. Need to address building acquisition
    - iii. Poses several legal challenges
  - b. No lease but rather space allocation/indirect costs
  - c. No operating agreement but rather county levy with annual budget proposal
    - i. Two level budget process-new programs requiring funding above base budget amount would require special approval
    - ii. Fee schedule approved via budget-loss of flexibility
  - d. Eligible to make CIP requests
  - e. County Board will determine operations and programming (year round, seasonal, events coordinator versus hall rental, 24/7 operations)
  - f. 4-H programs and other county functions at Fair Park
  - g. County Board will need to determine staffing levels appropriate for extent of operations selected
  - h. Human Resources/Payroll implications (weekend employees, seasonal employees)
  - i. Marketing responsibilities dependent on the County's goals
  - j. Business Plan or simply another county park
  - k. Property and liability insurance
  - l. Liquor license depending on type of operation selected by County Board
  - m. Donated structures-intent of donors and use of facilities
    - i. American Legion
    - ii. Farm Bureau
    - iii. Lions
  
3. Current operations continue – AIS continues under renewal given in January, 2008
  - a. No change in ownership of buildings
  - b. AIS seeks levy and continues to operate fair and the year round facility
  - c. Lease and Operating Agreement need updating in order to recognize current practices and to remove outdated provisions

**Study committee recommendations and County Board action will determine the legal arrangement and documents necessary**

## APPENDIX C: PERFORMANCE METRICS & LEASE AGREEMENT NOTES

---

The following utilizes the output generated from the brainstorming conducted during the August 10, 2009 Fair Park Study Committee meeting.

### **Performance Metrics**

- Cost plus analysis and market based for event pricing
- Living up to mission statement for Fair Park
- Rainy day fund – once appropriate level is achieved, surplus goes to future operations and a schedule is developed for levy reduction
- Access for 4-H
- Operate annual County Fair that is consistent with mission
- Performance marks/milestones, such as mix of events and profitability of events
- Develop & implement marketing plan

### **Key Points for Lease Agreement**

- Performance agreements reviewed annually
- Executive Director skill set - event promotion & marketing for Fair Park events and the annual County Fair
  - All Staff
  - Board
- County Finance staff on AIS Finance Committee – knowledge & guidance
- County Finance Committee member on AIS Finance Committee
- Agreement on building ownership and use
- Complete inventory of assets (bleachers, chairs . . .)
- Operating costs – who pays for what
- Liability insurance
- AIS seeks consultant for:
  - Marketing and promotions
  - Operations
- Rent
- AIS By-laws review by County Attorney – to include Fair & event operations

## APPENDIX D: 2009 FAIR PARK PERFORMANCE EXPECTATIONS

---

1. Organize and hold an annual county fair  
Measures:
  - A) County Fair schedule/ plan book by comparison to prior years
  - B) Number of Fair exhibitors and commercial/ community booths
  - C) Attendance by day and total
  - D) Sponsorships, # and total funding generated
  - E) Volunteers, # working with AIS and # working with 4-H
  
2. Implement a financial plan to operate Fair Park for the full year  
Measures:
  - A) Approved budget of revenues and expenses
  - B) Budget vs. Actual by major groupings (inc. County Fair)
  - C) Correcting actions to respond to under revenues, over expenses
  - D) Status of reserve fund balance with intent to re-establish positive balance
  
3. Book events consistent with the Fair Park mission
  - A) Collection of data by category – educational, cultural, social, economic  
x public/ private
  - B) # of events and estimated attendance
  - C) Evaluation comments and impact
  - D) Local newspaper coverage of Fair Park events
  
4. Host a wide variety of UWEX 4-H/ Youth Development events that contribute to its success
  - A) # of events and estimated educational contacts by month and building
  - B) Participation levels in 4-H/ Youth Development countywide
  - C) Financial value of discounts offered to 4-H/ Youth Development bookings

Approved by Education & Culture Committee, April 7, 2009