

PLACER COUNTY FAIRGROUNDS ASSESSMENT AND BUSINESS PLAN

Presented To
Placer County

Prepared By
RCH GROUP



In Association with
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FINAL

**PLACER COUNTY FAIRGROUNDS ASSESSMENT
AND BUSINESS PLAN**

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CHAPTER I: INTRODUCTION AND EXECUTIVE SUMMARY

PURPOSE AND OBJECTIVES

The Placer County Fairgrounds is a 61-acre site owned by Placer County and located west of Washington Boulevard off All America City Boulevard within the city limits of Roseville, California. The Placer County Fair Association (“PCFA”), a non-profit and non-stock corporation established in 1938, is currently responsible for the management and operation of the Placer County Fair and Events Center (the “Fairgrounds”) and for the planning and administration of the annual Placer County Fair (the “Fair”).

The purpose of this Fairgrounds assessment is to provide the County with objective information to help inform the County’s process for determining plans for the future use, management and operation of the existing County-owned Fairgrounds property on both a near-term and long-term basis. In June 2013, Placer County retained the team of RCH Group, A. Plescia & Co., and Gruen Gruen + Associates (the “Consulting Team”) to conduct an assessment of the Fairgrounds. This assessment included the following:

- Attended the 2013 Fair and synthesized our initial observations about its strengths and weaknesses (see Appendix A for summary of observations about the Fair);
- Conducted primary research and community and stakeholder outreach, including interviews with representatives of the following interests, entities, and municipalities (see Appendix B for a detailed list and summary of the interviews):
 - Agriculture
 - The Arts
 - Auto Racing
 - Education
 - Entertainment
 - Tourism and Economic Development
 - Elected officials and/or staff from each of the local municipalities and their respective Chambers of Commerce, including Auburn, Lincoln, Loomis, Rocklin, and Roseville
 - Placer County Fair Association Board Members and Staff
 - Other Fairground Vendors, and
 - Roseville Coalition of Neighborhood Associations (RCONA)
- Toured the Fairgrounds and evaluated the condition of the facilities and grounds (see Appendix E for our Draft Assessment of the Fairground Facilities).

In addition, the Consulting Team completed the following:

- Synthesized information gleaned about market opportunities and constraints based upon our organization and analysis of data obtained from the PCFA, including historical survey results and facility utilization trends, and our interviews with vendors, event promoters, and other potential Fairgrounds partners;
- Reviewed and analyzed the Fairgrounds' historical financial statements to characterize patterns of Fair, non-Fair, and All American Speedway ("Speedway") operating performance;
- Completed a case study review of other comparably-sized County fairgrounds in the region to (a) obtain perspective on the physical characteristics and operating performance of the Placer County Fairgrounds, (b) to identify key factors contributing to the operating performance of other fairgrounds, and (c) to identify the extent to which nearby fairs compete with one another and the Placer County Fairgrounds (Appendix C contains a summary of the case study review);
- Evaluated programmatic elements of the Fair and Fairgrounds, and identified opportunities for enhancing the amount of potential annual net operating revenue at the current location; and
- Prepared a projection of future year operating revenues and expenses for a prototypical Fair and Fairgrounds.

Based on the interviews and assessments, this Assessment Report includes a business plan which has been developed to specifically identify:

- Modifications and improvements necessary to sustain a viable Annual Fair and Fairgrounds, including marketing and implementation strategies;
- Strategies to mitigate existing land use conflicts;
- Opportunities to generate enhanced revenue from the use of the Fairground property;
- Estimates of potential future operating revenues and expenditures (given physical, program and operational improvements identified in this report);
- Site, facility, and infrastructure limitations that may need to be remedied (and the capital funding required);
- A preferred business and development program ("Preferred Program") for the Fairgrounds, including a conceptual prototypical site plan; and
- Governance/operational models which will be necessary to execute the Preferred Program;

An important overarching objective of this assessment and business plan is to identify viable means of improving operations at the existing geographically constrained and physically worn Fairgrounds site over the near-term and medium-term, while providing a framework for evaluating future longer-term options

related to the appropriate location for the Fair and Fairgrounds- including the potential to facilitate a larger state-of-the-art multi-use regional community event center.

BACKGROUND

The Placer County Fair Association (“PCFA”), a non-profit and non-stock corporation established in 1938, is responsible for the management and operation of the Placer County Fair and Events Center (the “Fairgrounds”) and for the planning and administration of the annual Placer County Fair (the “Fair”). PCFA is classified as a 501.c.3 by the State of California and as a 501.c.4 by the Federal government (which has complicated charitable donations). Pursuant to the First Amendment to Operating Agreement between the County and the PCFA, the contract is essentially a year-to-year agreement subject to either party’s issuance of a notice of nonrenewal by July 15th of each year; which in this case was extended to September 15th.

The PCFA is comprised of any interested persons who support the goals, purposes, and activities of the Association, are at least 18 years of age, and pay an annual membership fee of \$20; however, only residents of Placer County may vote and/or hold positions of office for the Association Board of Directors. PCFA members provide volunteer resources to the Board of Directors and Association management related to conducting the annual Fair and other non-Fair events at the Fairgrounds. The actions of the PCFA membership are intended to be consistent with its mission statement which states: “To provide a wholesome family fair incorporating educational and entertaining activities and to generate year round usage of our facilities. In accomplishing this mission we will continually improve our business processes and address the needs of the community and customers”.

In addition, the PCFA vision states: “The Placer County Fair Association will provide a financially sound, well managed Fair in a fully maintained Fairgrounds complex with interim programs designed to serve Placer County and area residents. The Fair programs will support agricultural focused education programs – linked to local schools, agricultural and children’s programs. The Fair Association will encourage an atmosphere of community involvement through service and participation with quality local and regional entertainment.”

BASIC POLICY ISSUES AND CONSIDERATIONS

This Assessment Report offers several basic policy issues for the County to consider in determining immediate, mid-term, and long-term plans for the future use, management, and operation of the existing Fairgrounds, as well as future plans for the Placer County Annual Fair and Fairgrounds. The basic policy issues and considerations are as follows:

Immediate

- Should the County continue to provide annual financial assistance to the Fairgrounds (as a County-owned asset) in order to in part help offset any realized annual operating losses from the Fairgrounds’ operation?

- Should the County consider immediate or near term revisions to the existing governance and organizational structures in order to improve the accountability, cost effectiveness, and efficiency of the management and operation of the Fairgrounds as a County-owned asset?

Near-Term

- Should the existing Fairgrounds be enhanced simply through better programming, branding, and marketing, or should the County also consider implementing near-term physical site and building improvements to the Fairgrounds to enhance and allow operations to continue for the next five to 10 year period so as to help confirm and demonstrate that the region can and will support a well-run annual Fair, Fairgrounds, and event center?
 1. Would such near-term improvements provide a reasonable return on investment, and would they adequately counter the existing location, physical site, and facility constraints, and adjacent land use conflicts, so as to possibly result in the existing Fairgrounds achieving near-term financial viability?
 2. Is it feasible or prudent for the County to invest capital to implement such near-term improvements without a clear financial return to the County?
 3. Is there an alternative to County funding of the near-term improvements such as contracting with a private for-profit or private non-profit entity to provide all or a portion of the required capital for the near-term improvements in exchange for a contract to manage and operate the Fairgrounds for a stipulated period of time?
- If the Speedway is determined to be capable of operating profitably as a fully functional (and compliant) facility only by contracting with a third-party promoter, then should it be able to continue operating at the existing Fairgrounds, be considered as part of a new regional event center, and/or be viewed as a potential future separate facility?

Long-Term

- Should the Fairgrounds continue to be used for the current purposes (e.g., annual Fair, Speedway, and non-Fair interim events) given the constraints of its location, size, and physical building and site conditions?
- Does the existing Fairgrounds, given its location and constraints, warrant continuing as the site of the annual Placer County Fair and related non-Fair interim events?
- Should the County execute various physical improvements along with marketing and rebranding in an effort to achieve an enhanced Fair and Fairgrounds? Also, should the Speedway remain in operation at the existing Fairgrounds or should the Speedway eventually be phased out so as to eliminate conflicts with the surrounding land uses?

- Should the County consider evaluating the feasibility and demand for a new state-of-the art regional community events facility that could potentially attract more high-quality non-Fair events, accommodate the Fair (if so desired), and serve as a regional event center that offers a wider variety of activities?
- If the Fairgrounds were no longer operated in the current location, what steps should the County consider to maximize the value of the existing site for other potential private or public development uses? What might be the timing for realizing that revenue potential and how would that relate to the County's evaluation, feasibility and potential of a new regional community event center?

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The following is intended to provide a summary of the key findings, conclusions and recommendations resulting from the Fairgrounds assessment presented in this report.

Findings

Physical Location, Site and Facility Conditions

- The Fairgrounds has poor accessibility to and visibility from adjacent major roadways;
- The Fairgrounds has an unattractive “window” and street frontage with the existing All American Speedway blocking the view of the Fairgrounds and appearing to be the primary activity of the site;
- The Fairgrounds lacks adequate signage - both externally and internally;
- Limited synergy exists between the Fairgrounds and the adjacent land uses, and the vicinity lacks complementary visitor-oriented amenities and attractions;
- Adjacent residential neighborhoods are impacted (noise, traffic, parking) by Fairgrounds and Speedway activities; and
- The Fairgrounds' site and buildings are functional, however the existing physical conditions and size of the site, buildings and facilities creates a constraint related to attracting larger, higher quality non-Fair events.

Historical Financial Review

- Review of the financial reporting records of the Fairgrounds indicated some concerns related to their completeness and accuracy. For example the Fairgrounds' Annual Statement of Operations (unaudited “STOP”) reports for 2010 and 2011, as required by California Department of Food and Agriculture (Division of Fairs and Expositions) are not consistent with the Fairground's 2010 and 2011 Balance Sheets;
- In some instances the accuracy of past financial records could not be fully verified and did not provide sufficient information on program revenues versus costs;
- Based on the financial information provided by PCFA, some of the existing events and programs appear to operate at a “profit” (including All American Speedway, Berry Fest, Annual Fair, Fun Run, Hoedown, Fourth of July Event, and other non-Fair activities). However in order to present a complete representation of the actual profit or loss of a particular event, the applicable operating

costs (including a proportionate allocation of annual Fairgrounds' administration and maintenance costs) should be taken into account in the comparison of program revenues to costs;

- Fairground financial reporting needs to be improved in order to afford PCFA (and the County) the opportunity to make fully informed decisions based on complete and reliable financial and budgetary information.

Annual Fair Attendance and Operating Performance

- Annual Fair attendance increased from 2009 to 2012, however attendance decreased by approximately 18% from 2012 (34,200) to 2013 (28,000); the increase in Fair attendance in 2009 to 2012 is consistent with growth in the Fair annual operating revenues for the same period of time;
- The primary market area for Fair attendees is the City of Roseville, with nearly one third of the attendees; the next largest segment of attendees reside in the Rocklin/Lincoln areas, followed by Sacramento;
- The total primary market area population is estimated at approximately 882,000 people. The 21,560 Fair attendees originating from within the primary market area represents a low capture or penetration rate of 2.4 percent. Fewer than three in 100 primary market area residents are estimated to attend the annual Fair.
- Annual Fair attendance in 2013 was only 7.8 attendees per 100 County residents, as compared with 30 (El Dorado County and Yuba-Sutter County), 65 (Yolo County), and 100 (Nevada County).
- The overall annual profitability of the Fair appears to have improved (with profits of approximately \$145,900 and \$95,315 in 2012 and 2013 as compared to losses of approximately \$33,000 and \$45,150 in 2010 and 2011 respectively.).

Overall Fairgrounds Financial Operating Performance

- Non-Fair interim events (non-racing events) have consistently generated estimated net operating losses over past decade;
- Annual operating losses have (in part) been offset by reductions in operating expenses;
- Non-racing revenue increased by approximately 43% from 2003 to 2007 (from \$640,000 to \$917,000); however operating expenses also increased by 68% during that period of time (from \$838,000 to \$1,409,000) thereby resulting in a 148% increase in net operating losses;
- During the height of the recession, the Fairgrounds experienced a sharp decline in operating revenue from 2008 to 2009 (from \$807,000 to \$541,000) thereby increasing net operating losses;
- Operating revenue increased by 6% from 2007 to 2013 (from \$917,000 to \$974,000), while operating expenditures decreased 22% (from \$1,409,000 to \$1,095,000) thereby resulting in a 125% reduction in net operating losses; and
- During the period from 2003 to 2011, with the exception of two years (2007 and 2009) Fair annual net income remained positive, after taking into account non-operating funding sources. In 2007 and 2009, the Fairgrounds operating losses exceeded other non-operating revenues so net income was negative in both years (\$83,000 and \$487,000, respectively). In 2012, the State's revenue allocation was suspended, therefore in 2012 and 2013, the Fairground's decreased operating expenditures more

closely aligned with its operating revenues so that net income was smaller in these two years than for prior years (negative \$41,000 in 2012 and \$1,700 in 2013).

Speedway Attendance and Operating Performance

- The primary market area for attendees of the Speedway of which 65 percent of survey respondents reside includes the cities of Roseville, Sacramento, Citrus Heights, and Rocklin,
- All-American Speedway generated operating profits exceeding \$150,000 per year for period from 2005 to 2010;
- Annual operating revenues have rapidly declined since 2007, resulting in the first operating loss in 2012 (\$14,200);
- From 2003 to 2012 annual revenues increased by 3% (from \$455,000 to \$469,000), while net operating income increased 180% between 2003 and 2010 (from \$62,000 to \$173,000) – but declined 60% between 2010 and 2011 (from \$173,000 to \$69,000); Annual revenues and net operating income peaked in 2007 and 2008 (\$201,000 and \$334,000, respectively);
- From 2008 to 2012 annual revenues declined by 55% (from \$1,033,000 to \$469,000) and annual net operating income declined by 104% (from \$334,000 to negative \$14,000); and
- Annual net operating income in 2012 was negative (\$14,000) for first time in 10 years as revenues declined and expenditures increased slightly.

Markets Served by Fairgrounds

- Approximately 275,000 people and more than 100,000 households exist within five miles of the Fairgrounds, with the neighborhoods closest in proximity to the Fairgrounds are characterized by a slightly younger and more Hispanic population;
- Approximately 25 percent of the population located within one mile of the Fairgrounds is Hispanic and one-half of residents are under the age of 35;
- Within one mile of the site, the annual median household income approximates \$57,000 and approximately 64 percent of annual household incomes are below \$75,000; within five miles, encompassing a much larger area of Roseville and surrounding communities, the annual median household income is approximately 30 percent higher;
- A substantial employment base within five miles of the Fairgrounds of more than 100,000 jobs also exists, although relatively few of those jobs are located within one mile of the site;

Fairgrounds Case Study Comparison

- Other comparably-sized fairgrounds in the region researched in relation to factors contributing to their operating performance included:
 1. Gold Country Fair (Auburn)
 2. Yolo County Fair (Woodland)
 3. Nevada County Fair (Grass Valley)
 4. Yuba-Sutter Fair (Yuba City)
 5. El Dorado County Fair (Placerville)

- Placer County Fairgrounds is relatively large at 61 acres in relation to the size of the comparison fairgrounds which ranged in size from 38 to 56 acres; parking capacity (3,150 spaces) at the Fairgrounds being relatively high (including offsite spaces);
- The Fairgrounds is located within a more densely populated area than the comparison fairgrounds, therefore there is potential for the Fairgrounds to benefit from a larger local market by improving the quality and attraction of the Fair and non-Fair events. However, there exists a greater competitive supply of alternative venues, activities and attractions in the Fairgrounds' local market in relation to the comparison fairgrounds;
- For 2012 the annual Fair revenue per acre of land (site area) was approximately \$7,7000 per acre (excluding the Speedway and non-fair interim revenue sources) which is substantially lower than the comparison fairs which all generated over \$12,000 per acre;
- The Fairgrounds' annual non-fair operating revenue per acre of land is more comparable to other fairgrounds. In 2012, the Fairgrounds generated approximately \$7,400 of non-fair operating revenue (excluding revenue and land associated with the All American Speedway) - by comparison in 2012 the El Dorado County and Yolo County fairs generated non-fair operating revenue closer to \$10,000 per acre of land;
- Amount of rentable exhibition space (22,000 square feet) at Placer County Fairgrounds is relatively comparable to these fairgrounds which have exhibition space ranging from 24,000 to 41,000 square feet in the region.

Interviews and Outreach

- Some of the key perceptions and observations resulting from interviews and outreach efforts included:
 1. There is some confusion as to where the Annual Placer County Fair is held – Auburn or Roseville;
 2. The Fairgrounds is not well located and lacks easy accessibility, visibility and an appropriate “window” on the street;
 3. The existing site and buildings are functional, but due to their age are in need of upgrades and improvements to make Fairgrounds more attractive for events and activities;
 4. Marketing and promotion of the Fairgrounds needs to be substantially improved;
 5. Auto racing at the All American Speedway seems to be a primary focus of the Fairgrounds' activities; and
 6. The Fairground governing board should focus on more non-fair interim events (other than auto racing) and should be more accountable to the County.
- Some of the suggestions regarding desired events, programs, and activities for the Fairgrounds from interviews and outreach efforts included:
 1. Community and regional gathering place for family events
 2. Agricultural-related events highlighting Placer County's heritage

3. Culinary and “farm to fork” events, including local products, micro beer and wine making, etc.
4. Sporting events, including indoor and outdoor competitive team sports
5. Festivals, concerts, shows and other cultural performances
6. Meeting space for local businesses, civic, and religious organization events

However it should be noted that the interviewees did not provide information related to the extent of actual demand or support for such uses, but merely an indication as to the desirability of having the uses listed above.

Governance and Organizational Structure

1. The Placer County Fair Association (“PCFA”) Board of Directors is comprised of nine community members (County resident over 18 years of age) elected from and by the PCFA membership;
2. Examples of governance structure similar to the Fairgrounds for other County-owned fairgrounds include:
 1. Salinas Valley Fair - 19 members elected by Association membership
 2. El Dorado County Fair - 12 members elected by Association membership
3. Examples of alternative governance structures for County-owned fairgrounds in California include:
 1. Santa Clara County Fair - 5 members, each appointed by their 5 respective County Supervisor members
 2. Solano County Fair - 15 members, 3 each appointed by their 5 respective County Supervisor members
 3. Alameda County Fair - 26 members, 3 each appointed by their 5 respective County Supervisor members, and 11 elected by the Association membership

Each of these alternative governance structures offer the potential advantage of more direct control by the County over the management and operation of a County-owned asset, and may provide for more accountability to the County given the Fairgrounds is a County-owned asset..

Conclusions and Recommendations

The following are intended to provide certain conclusions and suggested recommendations, drawn from the Fairgrounds Assessment, for the County to consider in determining plans for the future use, management, and operation of the existing County-owned Fairgrounds property, on both a near-term and long-term basis.

Conclusions Regarding Existing Fairgrounds

1. The existing Fairgrounds is in need of substantial near-term physical improvements to the site, buildings, and facilities in order for the Fairgrounds to retain existing, and effectively complete for additional non-fair interim events;
2. The existing Fairgrounds needs an improved marketing, promotion, and re-branding program.
3. The estimated cost of the identified near-term improvements (as described in this Fairgrounds Assessment) is approximately \$1,400,000. Even with these near-term improvements, the projected amount of annual enhanced incremental net income for the Fair and Fairgrounds non-fair interim events is approximately \$318,000. Therefore the projected enhanced annual net income would take approximately 5 years to fully offset the capital investment required to fund the identified near-term improvements.
4. Even with the execution of the physical near-term improvements and an improved marketing, promotion, and re-branding program, the location and current configuration of the existing Fairgrounds are constraints that could continue to limit the attraction of the Fairgrounds as a venue for the Placer County Annual Fair and various smaller local and regional events, activities, festivals, etc.
5. It might not be prudent for the County to provide direct County funding to finance the identified near-term improvements given the extent of the initial capital requirement (\$1.4 Million) and the projected period (5 years) to recapture the initial capital investment through enhanced annual net income.
6. An alternative for the County to consider would be to contract for the management and operation of the Fairgrounds with a third-party private for-profit or private non-profit entity. It is assumed this entity would provide a substantial amount of the required capital (through direct investments, sponsorships, etc.) for implementing the identified near-term improvements, in exchange for managing and operating the Fairgrounds (possibly including the Speedway) for a stipulated period of time which would allow that operator to recover its initial capital investment with an appropriate return on investment.

Conclusions Regarding Potential Regional Event Center

1. Initial outreach and market research conducted as part of this Fairground Assessment report indicates that there is interest in and support for a regional community event center in Placer County, however, none of the stakeholders indicated a specific willingness and ability to provide significant capital or operating financial support of the prototypical future development program.

2. Excluding the costs of land and ancillary facilities, the estimated core facility development costs of the idealized prototypical facility is approximately \$43.3 million, which would require annual payments of \$3.8 million for 25 years to amortize the development costs. Developing this potential future regional event center would represent a significant financial and political undertaking, and would be a high risk venture without an anchor use(s) and sponsors secured prior to development. Such a venture would likely require a multitude of public/private ventures and corporate sponsorships, as well as the investment of capital resulting from the sale of the existing Fairgrounds property.
3. Even successful operations will probably need to be subsidized in order to fully offset costs of development, operations and maintenance. None of the county fairs and fairgrounds operations within 40 miles of the Placer County Fairgrounds could support the capital and operating costs of the idealized prototypical new facility described in this report. For example, the largest fairgrounds and event center in the region and the site of the State Fair, Cal Expo, has generated operating deficits every year for the past three years.
4. Moreover, the supply of a wide array of event facilities in the region can be expected to increase. For example, the City of Roseville is currently pursuing a public-private partnership to construct a 250-room, 10-story hotel and 35,000-square-foot conference center on an 11-acre site located northwest of the Westfield Galleria, between Highway 65 and East Roseville Parkway. Recently renovated smaller event centers such as the Rocklin Event Center are not profitable. New smaller event centers such as Falls Event Center are planned to be developed. Falls Event Center, which has built two 13,000 square foot facilities in Elk Grove, plans to develop an additional facility on a three-acre site between the Roseville Galleria and Hyatt Place, off Conference Center Drive and Roseville Parkway.
5. Increased supply and competition from venues in the Sacramento region and the Bay Area for large events can be expected to limit obtainable revenues as indicated by the Cal Expo (and Placer County Fairground) experiences. Consequently, financial contributions other than operating income or net revenue surpluses from operations are expected to be necessary to support operations of new facilities at a new location
6. In addition, the interviews with fair managers indicated that it is typically difficult for fairgrounds with facilities (featuring multi-purpose flat floor space) which also need to serve the requirements of fairs, to compete with non-fair facilities which offer higher-quality finishes and more breakout meeting rooms and conference space required by convention and corporate meeting users. For larger fairs in particular, the preparation and tear down time required by fair exhibits can also limit the ability to serve the business or corporate markets before, after, and during an annual fair.

Recommendations

Existing Fairgrounds Improvements

Given the inherent capital, financial, and market risks associated with the potential relocation of a Fairgrounds, we recommend the County consider ways to facilitate a series of physical improvements, marketing, and promotion (including re-branding) for a reinvented and reorganized Placer County Fairgrounds at the existing site for, at a minimum, a near-term period of five to 10 years. A much smaller capital investment (and perhaps no subsidy) would likely be required to improve the existing grounds and facilities.

While the County may undertake planning for a much larger and long-term community events center, an empirical test can be conducted to identify and monitor whether, with the recommended near-term improvements and new governance (addressed below) the existing Fairgrounds can better accomplish its mission, despite the physical limitations outlined in this Fairgrounds Assessment and Business Plan.

The results of this analysis would be instructive for setting realistic expectations and requirements for a future fairgrounds at a potential alternative location. The significant population and employment base within five miles of the site and the apparent success of certain existing non-fair events (e.g. Berry Fest) at the Fairgrounds, and that the programming enhancements recommended can be conducted at the existing site provide a basis for positive results to be updated from the recommended “makeover” of the Fairgrounds.

Governance and Operating Structure

With funding no longer available from the California State Department of Food and Agriculture, many fairs and fairgrounds throughout California have to reinvent themselves and find ways to become responsive to contemporary preferences and financially viable. To this end, the County should consider taking the next six to nine months to establish a “Fairgrounds Revitalization Committee” (“FRC”) that would include members of the existing PCFA - many of whom has spent years of effort and dedicated themselves to helping ensure the success of the Fairgrounds, Speedway, and Annual Fair. We suggest the following as one possible approach:

- Each of the five members of the Board of Supervisors could appoint one member to the FRC, with an additional 6 appointees at large (again, filled by many of the existing PCFA Board or Association Members). PCFA could and should remain in place, but shift their focus on efforts to build community support and raise awareness (and secure funding) to help rebrand, maintain, and support the Fairgrounds.
- The FRC would advise the County in the preparation of a Request for Proposals (“RFP”) to solicit and select a private for-profit, non-profit, or public entity to contract with the County for the management and operation of the Fairgrounds. This should be an arrangement wherein the County

seeks to implement a combination of the recommended Fairground enhancements and a professional management arrangement.

- Although not an absolute certainty, modifying the current governance structure could result in the temporary closure of the Fairgrounds, causing cancellation of scheduled events and next year's Annual Fair. Any contracts will need to be evaluated and the impacts analyzed, but it may be worthwhile to take the next six to nine months necessary to identify potential operators and reopen with the benefit of some of the immediate and perhaps near-term enhancements discussed in this Fairgrounds Assessment and Business Plan.

Potential Future Regional Event Center

The County could consider proceeding with a subsequent phase of planning, including researching and identifying the specific projected demand and support for uses that would occupy this type of event facility, the potential sources of capital necessary to develop and finance the idealized prototypical fairgrounds and event center, and the estimated land value that could be monetized if the existing Fairgrounds were to be sold and reused for private residential or nonresidential uses and/or other public uses.

A subsequent phase of planning should also focus on confirming whether specific users and/or uses will commit to investing sufficient capital, or paying sufficient rent to offset, the initial capital and ongoing annual operating risks, given a realistic estimate of the land value for the existing site. As indicated under Conclusions Regarding Potential Regional Event Center, the interviews with existing vendors and a wide array of stakeholders did not reveal such needed commitments as likely to be readily obtained.

A subsequent phase of planning for the feasibility and potential for a new regional event center in Placer County should include, but not be limited to the following components:

- Identify the supply of event facilities similar to those which could be considered for the new regional event center within the market area of such a new facility;
- Determine the performance of the alternatives, their geographic area served, types of customers served, volume of customers served, programs offered, sources of competition, operating revenues, operating expenses, development costs, how financed (municipal debt, private equity etc.), how managed (by the municipality, by a private entity), who is responsible for maintenance, capital costs, programming, who is responsible for funding deficits if any, etc.;
- Given the resulting supply and performance information above, what is the obtainable demand given the demographic and other characteristics?;
- What are the estimated capital costs (in addition to any land costs) and potential revenues and expenses for the envisioned facility?;
- Conduct a survey of residents, vendors, users, stakeholders, etc. to test for demand and willingness to pay for the various programs or services potentially offered; and

- In light of the above, identify the steps necessary to proceed with development of a new events center, and determine whether adequate capability and willingness exist to subsidize the new facility and operation, as is frequently the case.

CHAPTER II: EXISTING CONDITIONS AND ASSETS OF THE FAIR

EXISTING SITE ANALYSIS

Chapter II describes the existing Fairgrounds, its facilities and conditions, and how the property is utilized.

The 61-acre Placer County Fairgrounds has been operating at the same site in Roseville for over 75 years and has not changed much over that same time period, while the City of Roseville and other portions of Placer County have been dramatically altered by 20 years of rapid development. Once an isolated site at the periphery of the City along a major highway corridor (Historic Highway 65), the Fairgrounds is now situated in the middle of a City that continues to grow, and the Fairgrounds is bypassed by new and better roadways, and an increasingly competitive marketplace. Figure II-1 illustrates the extent to which this urban growth has impacted areas around the Fairgrounds.

The primary access to the Fairgrounds is from Washington Boulevard (Historic Highway 65), to All American City Boulevard, then Los Vegas Avenue, and finally Lawton Avenue (both two-lane residential streets with minimal improvements and limited on-street parking opportunities) into the main parking lot – a very circuitous route. The Fairgrounds also has secondary access from the north via Corporation Yard Road and Junction Boulevard. Washington and Junction Boulevards are fully improved arterial roadways offering four lanes of travel with turn pockets. Corporation Yard Road is a marginally improved road providing access to a number of County and Fairgrounds leaseholders, and serves as the service entrance to the Roseville Police Department. Vallejo Avenue dead ends at the north and south ends of the western edge of the site, and is an unimproved easement through the Fairgrounds. Los Vegas and Lawton Avenues have also been blocked south and west of the Fairgrounds to minimize traffic impacts to these predominantly single family residential neighborhoods.

The area surrounding the Fairgrounds has grown and developed rapidly over time. For the most part, land uses south of the Fairgrounds consist of older residential neighborhoods intermixed with typical support uses such as schools, churches and small-scale retail. Rail lines east of and paralleling Washington Boulevard prevent circulation directly to the east, thereby limiting the Fairgrounds' traffic impacts on those residential neighborhoods. These areas are affected, however, by the Fairgrounds' impacts associated with noise, light and glare.

Land uses between the Fairgrounds and Junction Boulevard are generally light industrial and institutional, including the National Guard and the Roseville Police Facility. Land uses to the west of the Fairgrounds are primarily residential. A relatively new apartment complex has been built abutting the northwestern edge of the Fairgrounds, accessed from Junction Boulevard.

Fairgrounds Activity Areas

The existing activity areas on the Fairgrounds are depicted in Figure II-2: Land Use. As indicated in Figure II-2, non-Fair uses along the northern edge of the Fairgrounds, with access off Corporation Yard Road, include County and PCFA lessees such as Placer County SPCA (recently relocated), National Guard, Speedworld Raceway (miniature radio-controlled cars), Roseville Community School (private), and Roseville Police Department training and storage building. While none of these uses directly conflict with Fairgrounds activity, they do not complement the interests or uses of the Fairgrounds. They also act to block the northern edge of the Fairgrounds site from any meaningful physical or visual relationship with potential land uses or activities north of the site. With the exception of the National Guard (and Roseville Police), all of the other facilities appear to be transitory and could be located elsewhere.

County-owned lands not leased to others include those portions of the site devoted to either the All American Speedway (“Speedway”) or other Fairgrounds-related annual Fair and/or non-Fair interim events. Both the Speedway and interim annual events uses are independent of the other uses from a facility perspective but do share the same operational entity (Placer County Fairgrounds Association).

Non-racing Fairgrounds activity areas are spread across the north central portion of the site in a semi-organized framework with livestock facilities to the north, exhibition buildings generally in the middle and administration to the south. Other activity areas such as the Mahan Stage are located outside of the main core area, likely as part of an older plan that had the stage more as a focal point or activity node.

Existing access points include the Main Gate on All American City Boulevard, Gate C off Lawton Avenue and Gate J from Corporation Yard Road. The Main Gate is primarily symbolic, with Gate C providing most of the public access to the Fairgrounds. The associated Gate C parking lot is generally unimproved, as are most of the remaining western portion of the Fairgrounds.



Figure II-1: Land Use
Placer County Fairgrounds Assessment





Figure II-2: Fairgrounds Activity Areas
Placer County Fairgrounds Assessment



Fairgrounds Improvements

As a facility that has been in operation for over 75 years and with many of the buildings constructed in the earlier rather than later life of the facility, on-site conditions vary within a category that might be best described as serviceable. This category involves buildings and grounds that are useable for intended functions, but might not be competitive with other facilities in the sub-region which offer the same or similar capabilities. For the most part, the type, size, and condition of existing facilities limit the type of events that the Fairgrounds is able to attract and host. This challenge is compounded with a less than favorable image of the Fairgrounds held by the community and vendors, limiting the facilities' ability to attract, retain, and or/increase either usage or rates charged to users. This is a serious issue that needs to be addressed and remedied in order to restore the Fairground's competitive position as a Placer County activity and event center.

The primary existing Fairgrounds' facilities include the following:

Gates – There are two primary pedestrian access gates on the Fairgrounds. The Main Gate, the larger of the two, is located at the end of All America City Boulevard, but is mostly symbolic and generally used as the secondary gate. Gate C effectively serves as the main gate because it is located off Lawton Avenue, adjacent to the main parking lot. But this gate appears to be at the “back of house” and is significantly smaller than the Main Gate and thus does not clearly articulate its function at the Fairgrounds.

Jones Hall – Jones Hall is the largest multi-purpose building on the Fairgrounds at nearly 11,000 square feet. Its cosmetic condition and overall functionality is marginal; however the structure itself is in good condition. The exterior of the building is plain concrete block with an interior that is darker than it needs to be given the lack of windows. The lowered T-bar ceiling makes the space feel even more depressed and dark. The interior layout contains a small kitchen, an entry foyer, restrooms, and a small stage. Roll-up doors provide access to the stage area with stairs leading from the foyer to an upper storage area. The main access to the building transitions from the pedestrian promenade (Sunset Boulevard) located along its north side.

Garden Room – The Garden Room is attached to Jones Hall and shares a small kitchen and restrooms. This building has floor to ceiling windows and is in good overall condition.

Johnson Hall – Johnson Hall is the second largest building on the Fairgrounds at nearly 7,000 square feet of space. The cosmetic condition and functionality of this building is relatively good with some areas in need of upgrades and attention. The amenities of this building include a full size kitchen, elevated stage, interior/exterior restrooms, and a roll-up door.

Lauppe Hall – Lauppe Hall is the smallest facility rental hall on the Fairgrounds at just over 3,000 square feet of space. The exterior condition of this building is fair; however, the interior is poor and

in need of major rehabilitation work; particularly in the restrooms and storage areas. The restrooms are not Americans with Disabilities Act (“ADA”)-compliant and the T-bar ceiling is failing.

Administration Building – This building was built by a local homebuilder and is the most up-to-date building on the Fairgrounds. This building is in good condition, functions well, and is cosmetically pleasing. The building is also well located on a public street (Los Vegas Avenue), providing good access and parking without having to enter the Fairgrounds’ main parking lot or grounds.

Livestock Pavilions – The main livestock structures are in good condition. There are four main open truss structures that function as typical livestock pens, with semi-hard flooring surfaces and permanent stalls. The barn structure to the north is in poor condition.

Ancillary Buildings – Other on-site buildings such as first aid, the show ring, caboose, and the Red Barn all appear to be in good condition.

Maintenance Shops – Facilities (buildings and grounds) used for maintenance and storage appear to be an extension of other more industrial looking areas along Corporation Yard Road and not really part of the Fairgrounds. Buildings are old, the yard is strewn with materials, and the perimeter fencing does not do a good job at providing either visual screening or security.

All American Speedway – The All American Speedway (“Speedway”) complex consists of a permanent grandstand, temporary bleachers, restrooms, concession facilities, gates, a 0.33-mile long short track, safety walls, and a pit area. As the facility is used weekly during the racing season (mid-March through late-October) each year, conditions are for the most part good.

Mahan Stage – The condition of the stage is adequate; however, the functionality and location within the Fairgrounds site is poor.

RV Park – Located in a central position of the Fairgrounds between Jones Hall and the Mahan Stage, the recreational vehicle (“RV”) Park has 10 full hook-up spaces, with 10 partial hook-ups. Access is not clearly identified, and the park is visible to both core area Fair attendees and adjacent residential neighborhoods.

Grounds – The grounds are, for the most part, in moderate condition with maintenance levels higher in association with those facilities used on an ongoing basis such as Jones Hall, Johnson Hall, the livestock area, the Speedway, and administration building. However, these higher levels of maintenance provide only for a serviceable appearance, as opposed to a level of quality typically associated with quality destination or entertainment venues. Exterior fencing is chain-link, parking areas are mostly unimproved, asphalt areas are in need of resurfacing, painting is needed throughout the facility, and signage needs to be updated and coordinated.

Infrastructure – Supporting infrastructure are for the most part serviceable, but in need of upgrading and modernization.

Fairgrounds Analysis

The information provides a picture of an aged site with tired facilities; a site with limited access opportunities; a site located within a transitioning urban area; and a site that the community desires to have function properly, and yet, a site that is in need of a makeover.

One of the biggest challenges the Fairgrounds faces is how to treat the Speedway. On one hand, the Speedway provides a significant source of revenue that is used to help fund both general operations and maintenance costs of the entire Fairgrounds site. On the other hand, the Speedway structure serves as a visual block to the Fairground's primary window along a major street. Motorists along Washington Boulevard have no idea that there is anything on the other side of the Speedway Grandstand due to the location and scale of that structure. Furthermore, the only signage indicating the Fairgrounds is small, dated, and somewhat inconspicuously planted at the corner of All America City and Washington Boulevards, and does not include electronic signage allowing for regular event updates or announcements. As an urban design component, this front door to the Fairgrounds is less than desirable. This problem is compounded by the fact that the land area encompassed by the Speedway is irregular in shape with narrow pinch points where the Speedway meets the adjacent Fairgrounds areas; making it virtually impossible to provide either a functional or aesthetic connection between the two functions.

The core area of the Fairgrounds is laid out and functions well as a hub. However, the problem from both a functional and design perspective is that the hub is too large and needs to be more controlled and confined to make the space work well for vendors, activities, and events. During the annual Fair and other "all ground" events, this lack of containment and enclosure allows for dead space between events and activities, diminishing both flow and the user experience.

A typical Fair user experience is predicated on a number of different types of visual, sensorial, and physical stimulation. The ultimate end use experience is where all of these factors are designed to work as one; an experience that includes physical movement, sounds, sights, and smells. Sequencing these experiences for each event is the job of the designer, promoter, manager, or other entity in charge of planning and operations. Dead space breaks the stimulation cycle, diminishing the user experience. Positive end-user experiences often lead to increased visitation and revenue production.

The Fairgrounds are secured through the use of cyclone fencing around the perimeter of the site. These fences, in concert with little or no landscaping along the edges, do little to enhance the image of the facility, the management, or the County. Compounding this is the full exposure of the All American Speedway pit area along Washington Boulevard, the character of the leased lands along Corporation Yard Road, and the unimproved nature of a majority of the western portion of the site.

Fairgrounds Utilization

The ultimate analysis of how a fairgrounds is utilized is to look at how it functions during a major all grounds event such as the annual Fair. Attending both the 2013 and 2014 annual Placer County Fairs corroborated many of our conclusions drawn from previous discussions and observations; namely that this is a Fairgrounds in need of a makeover – functionally, physically, and operationally.

Figure II-3 depicts this conclusion in terms of land utilization, expressed both spatially and numerically. Translated, it appears that the basic Fair requirements, taking into consideration projected market support, requires a core site comprised of approximately 25 acres. The extent of additional acreages necessary is a function of the types and range of ancillary and supporting events that may serve to complement the primary Fairgrounds function, such as equestrian fields and facilities, competitive sports fields, etc., as discussed in Chapter VI.



Figure II-3: Site Utilization - Annual Fair
Placer County Fairgrounds Assessment



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CHAPTER III: ASSESSMENT OF HISTORICAL OPERATING PERFORMANCE

This chapter presents an assessment of the Fairgrounds' historical financial operating performance, including the Fair and non-Fair interim events, the Speedway and the overall Fairgrounds.

OPERATING PERFORMANCE OF THE FAIRGROUND

Table III-1 presents a summary of the annual operating revenue and operating expenditures for the Fairgrounds (excluding racing events/activities) for the period from 2003 to 2013. As indicated Fairground operating expenditures have declined by approximately 51 percent or \$720,000 since 2007. Overall the Fairgrounds (excluding racing events) has consistently generated net operating losses since 2003. The PCFA has, however, managed to reduce the large net operating losses that occurred over the 2007 to 2009 period, primarily by reducing operating expenditures.

TABLE III-1: Historical Fairgrounds Operating Performance, 2003-2013¹					
Year	Operating Revenues			Operating Expenditures ²	Net Operating Profit / (Loss) ³
	Fair \$	Interim \$	Total \$		
2003	364,993	274,508	639,501	837,682	(198,181)
2004	378,236	279,789	658,025	922,584	(264,559)
2005	371,000	437,556	808,556	1,044,070	(235,514)
2006	324,549	420,454	745,003	1,057,270	(312,267)
2007	563,158	353,532	916,690	1,409,024	(492,334)
2008	445,755	361,693	807,448	1,310,940	(503,492)
2009	204,552	335,992	540,544	1,383,962	(843,418)
2010	235,780	318,238	554,018	869,155	(315,137)
2011	193,248	401,575	594,823	861,507	(266,684)
2012	337,125	312,503	649,628	697,421	(47,793)
2013	574,380	399,285	973,665	1,095,384	(121,719)
Change 2003-2007	54.3%	28.8%	43.3%	68.2%	148.4%
Change 2007-2013	-2.0%	13.1%	6.3%	-22.3%	124.6%
¹ Excludes operating revenues and expenses for Motorized Racing. ² Includes expense adjustments for prior years. ³ Before depreciation and addition or reduction of funding resources.					
Sources: California Division of Fairs & Expositions, Annual STOP Reports; Placer County Fair Association; Gruen Gruen + Associates.					

Total non-racing revenue grew strongly over the 2003 to 2007 period, increasing by approximately 43 percent from \$640,000 in 2003 to \$917,000 by 2007. Most of this revenue growth was attributed to

Fair-related activities as opposed to non-Fair interim activities. Over the same period however, operating expenditures grew even more rapidly, by 68 percent (from \$837,682 to \$1,409,024), which contributed to an escalating net operating loss. The net operating loss experienced in 2003 of just under \$200,000 increased to approximately \$500,000 by 2007. Sharp declines in Fair revenue during 2008 and 2009 caused the annual net operating loss to increase to more than \$840,000 by 2009. Since 2009, operating expenditures have been reduced substantially and Fair operating revenues have grown from a low of \$541,000 in 2009 to \$661,000 by 2012. In 2013, both revenues and expenditures increased, although expenditures increased more so the net operating loss increased between 2012 and 2013 to a negative (\$122,000). Part of the growth can be attributed to the addition of a new Fair-sponsored festival, BerryFest, in 2012. A portion of each annual deficit was offset by contributions from California Department of Food and Agriculture (“DFA”), Placer County, and others.

Table III-2 summarizes the revenues, expenditures, and net operating profit of the Fairgrounds by revenue and expenditure category for 2010, 2011, and 2012. Again, the figures in Table III-2 exclude revenues and expenditures from the Speedway.

TABLE III-2: Summary of Operating Performance by Category, 2010-2012¹

	2010	2011	2012	Percent Change 2010-2012
REVENUES	\$	\$	\$	%
Admission	-	24,348	71,474	193.6
Commercial Space	27,675	22,035	56,810	105.3
Concessions	88,078	80,824	61,060	-30.7
Exhibits	7,559	1,527	6,005	-20.6
Fair Attractions	39,781	23,629	15,007	-62.3
Miscellaneous Fair	22,663	32,293	60,231	164.9
Miscellaneous Non-Fair & Interim Revenue	318,238	401,575	312,503	1.9
Prior Yr. Revenue Adjustments	51,975	8,600	(13,364)	-125.7
Other Revenue	(1,951)	(8)	4,359	-303.5
BerryFest	-	-	75,543	
Operating Revenues	554,018	594,823	649,628	19.3
EXPENDITURES				
Administration	422,864	347,871	312,561	-28.3
Maintenance & General Operations	277,390	268,745	203,221	-27.7
Publicity	55,401	36,238	33,990	-38.3
Attendance Operations	15,030			-100.0
Miscellaneous Fair	12,749	58,437	34,165	168.0
Miscellaneous Non-Fair	7,500	11,399	16,939	378.1
BerryFest	-	-	44,257	-
Premiums	19,232	3,977		-100.0
Exhibits	32,167	22,548	14,670	-54.4
Fair Entertainment	104,367	111,167	41,681	-60.1
Interim Entertainment				
Equipment (Funded by Fair)	6,243	6,913	6,014	-3.7
Prior Year Expense Adjustments	(84,152)	(9,721)	(10,781)	-87.2
Cash (over/under)	364	640	690	89.6
Other Operating Expenses	-	2,142	-	-
Operating Expenditures	869,155	861,507	697,421	-20.7
NET OPERATING LOSS	(315,137)	(266,684)	(47,793)	-92.1
¹ Excludes operating revenues and expenses for Motorized Racing. The minor discrepancy (approximately \$4,000) for operating expenditures in 2010 between Table III-1 and III-2 may reflect a variance in the different accounting records provided by the PCFA.				
Sources: Placer County Fair Association; Gruen Gruen + Associates.				

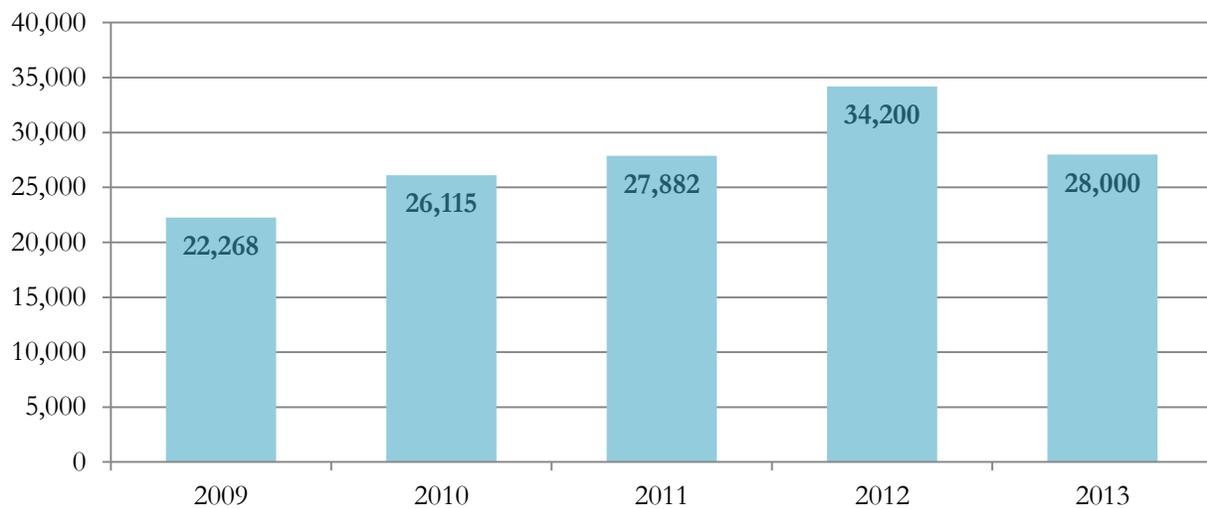
Total Fairgrounds operating revenue, excluding racing, increased by approximately 19 percent or \$121,000 between 2010 and 2012. The addition of Berry Fest in 2012 accounted for approximately 60 percent of this revenue growth. Fair admission revenue also grew from zero in 2010, when free admission was offered to the Fair, to approximately \$71,000 in 2012. Concession and attractions revenue declined by approximately 40 percent over the three-year period.

Total operating expenditures, excluding those associated with motorized racing, decreased by approximately 20 percent or \$180,000 over the 2010-2012 period. The combination of revenue growth and expenditure decline has caused the net operating loss to decrease – with the net operating loss declining from approximately (\$310,000) in 2010 to (\$25,000) by 2012.

Fair Attendance Patterns

Based on data provided by the Placer County Fair Association, Figure III-1 presents a summary of the annual attendance of the Fair over the past five years. The data for the 2014 Fair was unavailable for inclusion in this report.

FIGURE III-1: Annual Fair Attendance, 2009-2013



Sources: Placer County Fair Association; Gruen Gruen + Associates.

Annual attendance at the four day Placer County Fair has grown between 2009 and 2013. Between 2009 and 2010, annual attendance increased by 17 percent from over 22,000 attendees to over 26,000 attendees. Annual attendance in 2011 increased by another approximate seven percent to almost 28,000 attendees. Between 2011 and 2012, Fair attendance increased by approximately 23 percent increasing from 27,900 attendees to 34,200 attendees. The only decrease in annual attendance occurred between 2012 and 2013 when attendance declined by 18 percent, from 34,200 in 2012 to 28,000 in 2013. The increase in Fair attendance that occurred between 2009 and 2012 is consistent with growth in Fair operating revenues over the same period.

OPERATING PERFORMANCE OF THE ALL AMERICAN SPEEDWAY

Table III-3 summarizes the total operating revenues, operating expenditures, and net operating profit of the All American Speedway over the 2003 to 2012 period. As indicated the All American Speedway has generated annual net operating profits exceeding \$150,000 annually for six straight years from 2005 through 2010. Annual operating revenues have continued to rapidly decline since 2007 and 2008, resulting in an annual net operating loss for the first time in 2012.

TABLE III-3: Historical All American Speedway Operating Performance, 2003-2013¹			
Year	Operating Revenues \$	Operating Expenditures \$	Net Operating Profit (Loss) \$
2003	455,363	393,650	61,713
2004	537,949	404,285	133,664
2005	588,209	383,827	204,382
2006	571,377	355,579	215,798
2007	1,086,956	886,172	200,784
2008	1,033,014	698,684	334,330
2009	838,281	631,139	207,142
2010	739,089	566,098	172,991
2011	527,620	458,255	69,365
2012	469,225	485,854	(16,628)
2013	523,912	472,853	51,059
Percent Change 2003-2007	138.7%	125.1%	225.4%
Percent Change 2007-2013	-51.8%	-46.6%	-74.6%

¹ Includes only revenues and expenditures of the All American Speedway as reported.

Sources: Placer County Fair Association; Gruen Gruen + Associates.

From 2003 to 2013, the All American Speedway revenues increased by 15 percent, from over \$455,000 to approximately \$524,000. Net operating income has been positive every year from 2003 to 2011, increasing by 180 percent between 2003 and 2010 but declining by 60 percent between 2010 and 2011. Between 2006 and 2007, Speedway revenue increased by over \$500,000 or 90 percent to approximately \$1.1 million. The increase in revenue is reported to relate to an increase in both sponsorship revenue and event attendance and ticket sales as a new race promoter was brought under contract by the PCFA in 2007. Nearly 70 percent of the increase in revenues between 2006 and 2007 was due to the increase in admissions revenues from the large increase in estimated attendance from 40,000 in 2006 to 85,000 in 2007. Revenues and net operating income peaked in 2007 and 2008. Since the onset of this most recent economic downturn, revenues have declined by 49 percent and net operating income has

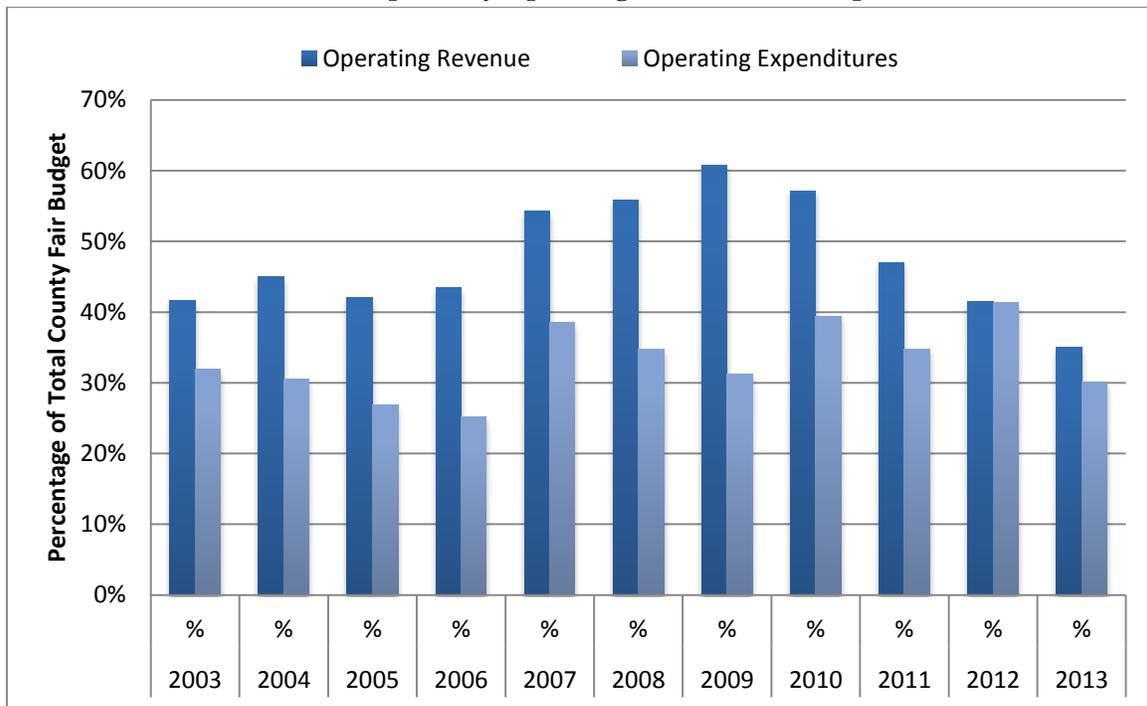
declined by 85 percent from 2008 to 2013. Net operating income declined between 2011 and 2013 as revenues continued to decline and expenditures rose slightly so that in 2012 net operating income was slightly negative at approximately (\$14,000), the first operating loss in nearly a decade. Net operating income in 2013 rose to a positive gain of approximately \$51,000.

Table III-4 combines the annual financial operating performance results presented separately in Table I-1 for the Fair / Fairgrounds and Table III-3 for the All American Speedway to present a consolidated set of annual financial operating results for the overall Fairgrounds.

TABLE III-4: Historical Fairgrounds and All American Speedway Operating Performance, 2003-2013¹			
Year	Operating Revenues \$	Operating Expenditures \$	Net Operating Profit (Loss) ² \$
2003	1,094,864	1,231,332	(136,468)
2004	1,195,974	1,326,869	(130,895)
2005	1,396,765	1,427,897	(31,132)
2006	1,316,380	1,412,849	(96,469)
2007	2,003,646	2,295,196	(291,550)
2008	1,840,462	2,009,624	(169,162)
2009	1,378,825	2,015,101	(636,276)
2010	1,293,107	1,435,253	(142,146)
2011	1,122,443	1,319,762	(197,319)
2012	1,118,853	1,183,274	(64,421)
2013	1,497,577	1,568,237	(70,660)
Percent Change 2003-2007	83.0	86.4	113.6
Percent Change 2007-2013	(25.3)	(31.7)	75.8
¹ Includes both Fair and non-Fair revenues and expenditures.			
² Does not reflect other sources of income, such as grants, County, and State Department of Agriculture			
Sources: Placer County Fair Association; Gruen Gruen + Associates.			

While still generating operating deficits, the inclusion of the all American Speedway figures reduces the magnitude of the annual net operating loss, except for year 2012. Figure III-2 shows the proportion of annual revenues and expenditures that the All American Speedway comprises of the total overall Fairgrounds' annual revenues and expenditures.

FIGURE III-2: Speedway Operating Revenues and Expenditures



Sources: Placer County Fair Association; Gruen Gruen + Associates.

Over the nine year period from 2003 to 2013, the All American Speedway has maintained its proportion of total operating revenues it contributes to the Fairgrounds. The Speedway contributed 42 percent of total Fairgrounds revenues in 2003 and 2012, peaked at 61 percent of total revenues in 2009, but has declined significantly to 35 percent of total revenues in 2013. The Speedway’s share of operating expenditures has ranged from a low of 25 percent in 2006 to a high of 41 percent in 2012.

Composition of Speedway Operating Revenue

Table III-5 summarizes the composition of All American Speedway operating revenue for 2003, 2007, 2010, and 2013 (the most recent year for which data is readily available). As a proportion of total revenue, admissions and concessions revenues declined from 87 percent of total revenue in 2003 to 72 percent in 2013. Sponsorship revenues over the period have increased, from less than four percent of revenue in 2003 to approximately 11 percent of revenue by 2013. Sponsorship revenue, however, contributed significantly to operating revenue growth in the peak operating year of 2007, representing more than \$200,000 or just under 19 percent of total revenue in that year. Test and tune and all other revenues (e.g., vehicle entry fees, spectator racing, Speedway banquet, and Speedway memberships) increased rapidly between 2003 and 2007 but have since declined significantly. Between 2007 and 2013, total operating revenue declined by approximately \$563,000. Declines in concession revenue and the loss of sponsorships, collectively, accounted for approximately 57 percent of the operating revenue decline.

TABLE III-5: Composition of All American Speedway Revenue, 2003-2013

	2003		2007		2010		2013	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Regular Admissions	344,219	75.6	527,616	48.5	461,690	62.5	299,084	57.1
Concessions	53,130	11.7	115,735	10.6	43,650	5.9	80,018	15.3
Sponsorships	17,501	3.8	201,223	18.5	56,790	7.7	57,647	11.0
All Other ¹	40,513	8.9	242,382	22.3	176,960	23.9	87,163	16.6
Total	455,363	100.0	1,086,956	100.0	739,090	100.0	523,912	100.0
¹ Test and tune fees, vehicle entry fees, spectator racing, car registration, speedway banquet, speedway membership, etc.								
Sources: Placer County Fair Association; Gruen Gruen + Associates.								

NET INCOME OF THE PLACER COUNTY FAIRGROUNDS

The historical financial information presented above reviews the operating performance of the overall Fairgrounds. Over the 10 year period from 2003 to 2013, the Fairgrounds has generated annual net operating losses. These annual net losses reflect the performance of the Fairgrounds before depreciation expenses and offsetting revenue to the Fairgrounds from State (DFA), County, and other revenue sources from grants, interest income, or other donations.

Table III-6 shows the annual “net income” of the Fairgrounds with the inclusion of other (non-operating) revenue sources. Revenue from other sources such as State (DFA) allocation and County payments have supported the annual net operating losses of the Fairgrounds. With the exception of two years between 2003 and 2011, the Fairgrounds net income remained positive, after taking into account non-operating sources of support. In 2007 and 2009, the Fairgrounds operating losses exceeded other non-operating revenues so net income was negative in both years. In 2012, the State’s revenue allocation was suspended. In 2012 and 2013, the Fairground’s decreased operating expenditures more closely aligned with its operating revenues so that operating losses were smaller in these two years than for prior years.

TABLE III-6: Historical Net Income of Placer County Fairgrounds, 2003-2013¹

Year	Operating Profit/(Loss) \$	Other Income ¹ \$	Net Income \$
2003	(136,468)	149,000	12,532
2004	(130,895)	172,505	41,610
2005	(31,132)	149,000	117,868
2006	(96,469)	149,000	52,531
2007	(291,550)	208,129	(83,421)
2008	(162,435)	198,501	36,066
2009	(636,276)	149,300	(486,976)
2010	(142,149)	194,156	52,008
2011	(197,318)	489,390	292,072
2012	(64,421)	23,292	(41,129)
2013	(70,660)	72,348	1,688
Percent Change 2003-2007	113.6		
Percent Change 2007-2013	75.8		
¹ As provided by the Placer County Fair in a net sum, "Other Income" includes income from State (previously available Department of Food and Agriculture), County (annual funding), and other revenue sources (donations, grants, etc.).			
Sources: Placer County Fair Association; Gruen Gruen + Associates.			

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CHAPTER IV: MARKET DEMOGRAPHICS AND OPPORTUNITIES

This chapter presents synthesized information gleaned about market opportunities and constraints based upon our organization and analysis of raw data obtained from the PCFA, a review of secondary data, and interviews with vendors, event promoters, and other potential Fairgrounds partners.

DEMOGRAPHIC CHARACTERISTICS OF LOCAL MARKET

The Fairgrounds is located in a much more densely populated and affluent area than many county fairgrounds. According to interviews, this represents a competitive advantage or strength of the location; and suggests that the Fairgrounds has the potential to benefit from a much larger local market, though it naturally also faces greater competition with non-fair uses and activities. Table IV-1 summarizes the demographic characteristics of the households and population located within five miles of the Fairgrounds.

TABLE IV-1: Demographic Estimates for 1, 3, and 5-Mile Radii from Fairgrounds			
2012 Estimates	1-Mile	3-Mile	5-Mile
Total Population	13,897	100,220	274,284
Total Households	5,167	36,579	97,530
Total Employment (Jobs)	2,546	64,015	104,655
<i>Population by Age:</i>			
Under 20 years	27%	29%	29%
20 to 34 years	23%	20%	19%
35 to 49 years	21%	23%	22%
50 to 64 years	18%	17%	18%
65 years and over	11%	11%	12%
<i>Population by Race:</i>			
White Alone	77.6%	80.0%	79.1%
Black Alone	1.8%	1.9%	2.7%
American Indian/Alaskan Native	1.2%	0.9%	0.8%
Asian	5.0%	7.1%	7.6%
Other including Two or More Races	14.4%	10.1%	9.8%
<i>Hispanic Population:</i>			
Hispanic	24%	16%	14%
Non-Hispanic	76%	84%	86%
Average Household Income	\$72,456	\$86,408	\$89,731
Median Household Income	\$56,872	\$71,346	\$74,350
<i>Distribution of Household Income:</i>			
Less than \$50,000	41%	34%	33%
\$50,000 to \$74,999	23%	18%	18%
\$75,000 to \$99,999	16%	16%	16%
\$100,000 to \$149,999	15%	21%	21%
\$150,000 or more	5%	11%	12%
Sources: MapInfo; Gruen Gruen + Associates.			

Approximately 275,000 people and more than 100,000 households exist within five miles of the Fairgrounds. The neighborhoods closest in proximity to the Fairgrounds are characterized by a slightly younger and more Hispanic population. Approximately 25 percent of the population located within one mile of the Fairgrounds is Hispanic and one-half of residents are under the age of 35. Within one mile of the site, the median household income approximates \$57,000 and approximately 64 percent of annual household incomes are below \$75,000. Within five miles, encompassing a much larger area of Roseville and surrounding communities, the median household income is approximately 30 percent higher. A substantial employment base within five miles of the Fairgrounds of more than 100,000 jobs also exists, although relatively few of those jobs are located within one mile of the site.

Interviews suggest that the location of the Fairgrounds near the historic core of the City, generally away from growth that has occurred and interstate-oriented employment and commercial activity centers, contributes to a lack of recognition and negative perception within the community.

PRIMARY MARKET AREAS SERVED

Placer County Fair

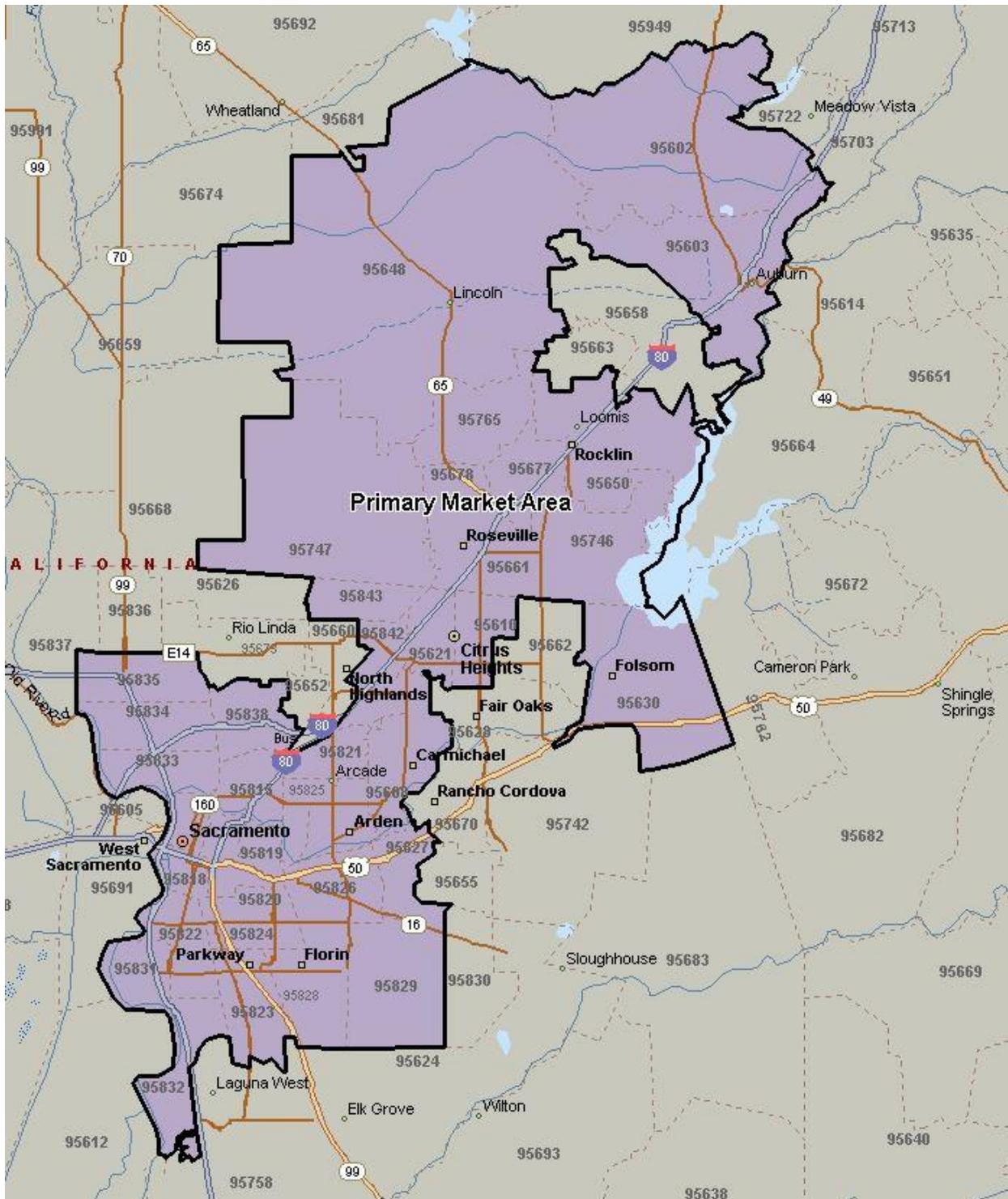
Table IV-2 summarizes the primary market area for attendees to the Placer County Fair. The primary market area was defined by residence zip codes for respondents to a survey of Fair attendees conducted at the Placer County Fair in June 2012.¹ A primary market area is defined as the geographic area from which most (e.g., 60% to 80%) of visitors originate.

TABLE IV-2: Summary of Primary Market Area for Placer County Fair Attendees¹		
By City	Number #	Percent %
Roseville	921	32
Sacramento	388	13
Rocklin	245	8
Lincoln	221	8
Citrus Heights	197	7
Loomis	58	2
Granite Bay	57	2
Folsom	48	2
Auburn	42	1
Carmichael	40	1
Total	2,217	77
¹ June 21-24, 2012 Response Data Summary; other zip codes/communities make up the remainder of the 2,885 total surveys but individually do not make up more than one percent of attendees.		
Sources: Response Data Summary of C2B Data Metrics conducted for John Javidan at Placer County Fair, June 21-24, 2012, Roseville, CA; Gruen Gruen + Associates.		

The primary market area for Fair attendees is the City of Roseville, with nearly one third of the attendees. The next largest segment of attendees resides in the Rocklin/Lincoln areas, followed by Sacramento. These totals are nearly the same as the total number of attendees combined from Citrus Heights, Loomis, Granite Bay, Folsom, Auburn, and Carmichael.

MAP IV-1: Primary Market Area for Placer County Fair

¹ As described in Appendix D, the survey (including the manner in which it was carried out) is problematic, if for no other reason that it was far too lengthy, but in the absence of alternative data, we rely upon it to define the primary market area.

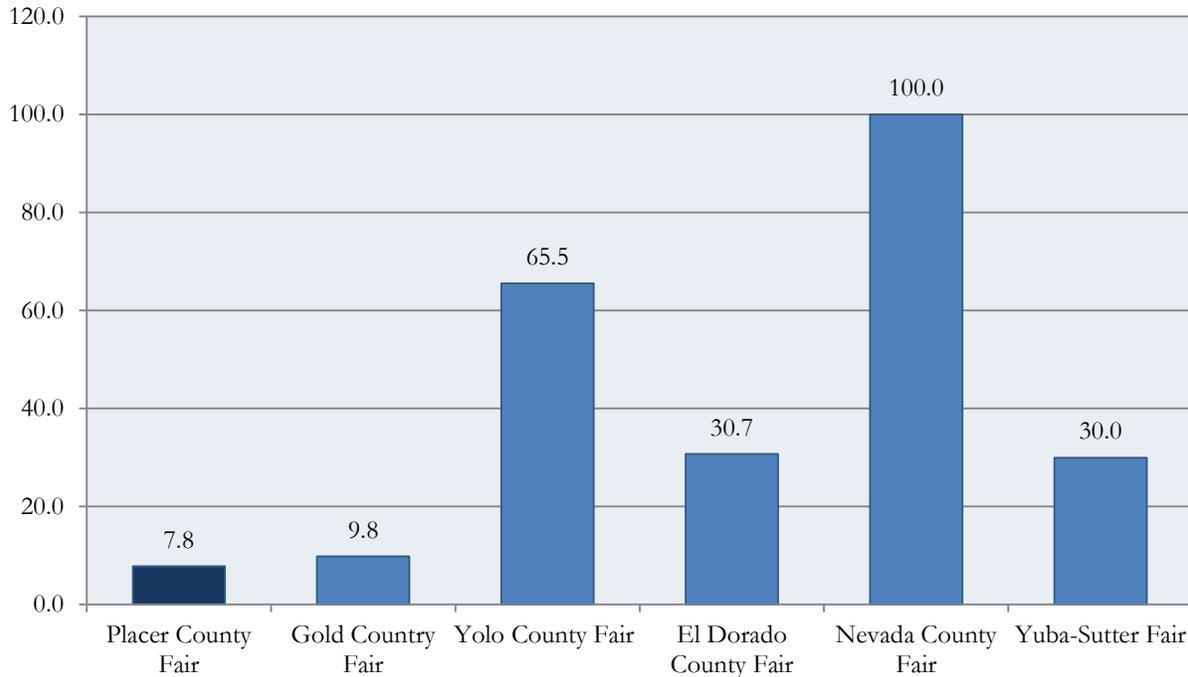


The total primary market area population is estimated at approximately 882,000 people. The 21,560 Fair attendees originating from within the primary market area represents a low capture or penetration

rate of 2.4 percent – meaning that fewer than three in 100 primary market area residents are estimated to attend the annual Fair.

An “attendees per 100 County residents” metric is presented below in Figure IV-1 for the Placer County Fair and other nearby fairgrounds. This ratio is indicative of the market area served by each fair and its capture rate.

FIGURE IV-1: Fair Attendees per 100 County Residents (2013 Fair)



Sources: Placer County Fair; Mountain Democrat; California Dept. of Finance; GG+A Interviews.

The Placer County Fair's attendance rate was 7.8 per 100 County residents in 2013. The rate of attendance for the Gold Country Fair, also in Placer County, was only slightly higher, at about 9.8 per 100 residents. The proximity of the two Placer County fairs may bifurcate the market and reduce the attendance to either one, compared to the other fairs.

Attendance rates at each of the other four fairgrounds reviewed were considerably higher. In 2013, the ratio of attendance per 100 County residents approximated 30.0 at the Yuba-Sutter Fair; 30.7 in El Dorado County, 65.5 in Yolo County; and 100.0 (a 1-to-1 ratio) in Nevada County. The higher ratios of attendance to population indicate that other fairs do a comparatively better job of (a) attracting fair-goers from further distance away; and (b) capturing more of the local market.

For comparison purposes, general characteristics associated with each of the above-mentioned fairs can be found on Page 111, Table C-1.

All American Speedway

Table IV-3 and Map IV-2 summarize the primary market area for attendees to the All American Speedway (“Speedway”). The primary market area was defined by residence zip codes for respondents to a survey of Speedway attendees conducted at the Speedway in October 2012.

TABLE IV-3: Summary of Primary Market Area for All American Speedway Attendees¹		
By City	Number #	Percent %
Sacramento	90	20
Roseville	88	19
Citrus Heights	46	10
Rocklin	13	3
Lincoln	12	3
Orangevale	7	2
Elk Grove	7	2
Loomis	7	2
Granite Bay	6	1
Fair Oaks	6	1
Total	282	65
¹ October 12-13, 2012 Response Data Summary; other zip codes/communities make up the remainder of the 453 total surveys but individually do not make up more than one percent of attendees.		
Sources: Response Data Summary of C2B Data Metrics conducted for John Javidan at the All American Speedway October 12-13, 2012, Roseville, CA; Gruen Gruen + Associates.		

The primary market area for attendees of the Speedway of which 65 percent of survey respondents reside includes the cities and/or areas of Roseville, Sacramento, Citrus Heights, Rocklin, Lincoln, Orangevale, Elk Grove, Loomis, Granite Bay, and Fair Oaks. The other 50 percent of survey respondents reside in zip codes that individually do not comprise more than one percent of the total respondents. Map IV-2 shows the primary market area boundaries.

DEMOGRAPHIC CHARACTERISTICS OF FAIR AND SPEEDWAY ATTENDEES

Table IV-4 summarizes the demographic characteristics of the Fair and All American Speedway attendees based on the June 2012 and October 2012 surveys conducted by the PCFA.

TABLE IV-4: Comparison of Demographic Characteristics of Placer County Fair and All American Speedway Attendees¹		
	Placer County Fair	All American Speedway
<u>Age</u>		
Under 21	15%	12%
21-24 years	8%	9%
25-34 years	21%	18%
35-49 years	29%	33%
50 and over	28%	27%
<u>Marital Status</u>		
Single Male	17%	28%
Single Female	23%	15%
Co-Habitat	8%	11%
Married	52%	46%
<u>Homeowner</u>		
Yes	46%	48%
No	54%	52%
<u>Gender</u>		
Male	42%	58%
Female	58%	42%
Sources: Response Data Summary Report of C2B Data Metrics conducted for John Javidan at the Placer County Fair, June 21-24, 2012, Response Data Summary Report of C2B Data Metrics conducted for John Javidan at the All American Speedway, October 12-13, 2012.		

Fair attendees tend to be younger than Speedway attendees. Approximately 15 percent of attendees to the Fair are under the age of 21 compared to 12 percent of younger age attendees to the Speedway. Speedway attendees are predominately male as compared to the Fair which attracts primarily female attendees. The Fair attracts a higher proportion of married individuals (52 percent) as compared to the Speedway (46 percent). Single individuals comprise 40 percent of the respondents at the Fair as compared to 43 percent single individuals for the Speedway.

Table IV-5 summarizes the household income characteristics of the Fair and All American Speedway attendees based on the June 2012 and October 2012 surveys conducted by the Placer County Fair Association.²

TABLE IV-5: Comparison of Household Income of Placer County Fair and All American Speedway Attendees	
	Placer County Fair
<i>Household Income</i>	
Under \$50,000	24%
\$50,000-\$69,000	29%
\$70,000-\$99,000	14%
\$100,000-\$124,000	14%
\$125,000-\$149,000	15%
\$150,000 and over	5%
	All American Speedway
<i>Household Income</i>	
Under \$40,000	25%
\$40,000-\$60,000	29%
\$60,000-\$99,000	21%
\$100,000-\$124,000	12%
\$125,000-\$149,000	7%
\$150,000 and over	7%
Sources: Response Data Summary Report of C2B Data Metrics conducted for John Javidan at the Placer County Fair, June 21-24, 2012, Response Data Summary Report of C2B Data Metrics conducted for John Javidan at the All American Speedway, October 12-13, 2012.	

A higher proportion of attendees of the Speedway are likely to have lower household incomes than attendees of the Fair (25 percent of Speedway attendees have household incomes below \$40,000 compared to 24 percent of Fair attendees with household incomes of less than \$50,000). A higher proportion of Fair attendees have incomes above \$100,000 (34 percent) than Speedway attendees (26 percent).

Underrepresented Demographics at the Fair and Speedway

According to Census Bureau data, more than 27 percent of Placer County residents are below the age of 21, while more than 37 percent of County residents are aged 50 and older. These two age cohorts represent demographics that both the Fair and Speedway appear to have more difficulty attracting, as summarized in Table IV-6.

² The income distribution brackets reported varied by survey.

TABLE IV-6: Age Composition of Fair and Speedway Attendees Relative to Placer County Population			
	Placer County Fair	All American Speedway	Placer County 2012 Population Base
<i>Age</i>			
Under 21	15%	12%	27%
21-24 years	8%	9%	4%
25-34 years	21%	18%	11%
35-49 years	29%	33%	20%
50 and over	28%	27%	37%
Sources: Response Data Summary Report of C2B Data Metrics conducted for John Javidan at the Placer County Fair, June 21-24, 2012, Response Data Summary Report of C2B Data Metrics conducted for John Javidan at the All American Speedway, October 12-13, 2012; U.S. Census Bureau.			

Alternatively, both the Fair and Speedway attract a disproportionately high share of younger and middle-aged adults. Persons between the age of 21 and 34 comprise only 15 percent of the Placer County population but are estimated to represent approximately 29 percent of Fair attendance and 27 percent of Speedway attendance. The middle age cohort (age 35 to 49) comprises about 20 percent of the County's population base but is estimated to account for approximately one-third of Speedway attendance and just under 30 percent of Fair attendance.

The Fair, and in particular the Speedway, do not generally attract a significant number of affluent higher-income households. American Community Survey data indicates, for example, that approximately 15 percent of households in Placer County have annual incomes exceeding \$150,000. However, only five percent of Fair-goers and seven percent of Speedway attendees reported that their household income exceeded \$150,000.

MARKET FOR EXHIBITION AND EVENT SPACE

From a customer’s viewpoint, the purpose of exhibition space and related venues is to provide facilities conducive for large group gatherings. From a community’s perspective, the typical purpose is to attract out-of-town visitors who will spend money on local hotels, restaurants, and other goods and services. From a fair’s perspective, the purpose is to have facilities for fair exhibits and activities during the annual fair, and facilities which generate net revenues during those periods of the year when the fair is not in session. Financial success depends upon attracting enough non-fair events to help any debt secured against the property and to pay the operating and maintenance costs of the exhibition and event venues.

Our interviews with existing Fairground vendors suggest that price-sensitive users currently represent the preponderance of non-fair events attracted to the Fairgrounds. Affordable rental rates are reported to represent the primary competitive advantage of Fairgrounds exhibition facilities. Most non-fair events attracted to the Fairgrounds serve a local market and audience. In addition to the adequacy and price of exhibition and meeting spaces, the organizers and promoters of regional- or

national-serving conventions, trade shows, consumer shows, and festivals will consider hotel room availability, air and ground transportation accessibility, and the "destination" appeal of a location when making event facility decisions. Relative to alternative venues in the Sacramento region, the current site of the Fairgrounds is unlikely to meet these non-facility requirements. The location of the Fairgrounds near downtown Roseville is characterized by limited transportation accessibility and it lacks an immediate base of hotel rooms and destination-type amenities and activities that help to capture non-local visitor markets. As indicated above, Roseville is pursuing plans and public-private partnerships to add hotel and retail/entertainment facilities in downtown Roseville.

Geographic Scope and Type of Non-Fair Events Served

Based upon our interviews with interim event vendors, the primary geographic market area served by most non-fair events is generally consistent with the market area of the Fair. Five of seven large vendors with whom we spoke characterized their primary market areas to be local, drawing mostly from within the Roseville/Rocklin and Sacramento area. Two non-fair events indicated that a majority of their attendees originate from the City of Sacramento. The events which draw most of their attendance from Sacramento have located at the Fairgrounds because of affordable rental rates. The non-fair event vendors with whom we spoke represent some of largest interim rent payers currently utilizing the Fairgrounds. It is likely that smaller non-fair events serve a similar if not smaller geographic market area. As summarized in Table IV-7, more than 50 percent of non-fair events at the Fairgrounds are related to social events such as weddings, Quinceañera parties, birthday parties, and fundraising dinners. The number of social events held at the Fairgrounds has increased approximately 10 percent over time, from 51 in 2009 to 56 in 2012.

TABLE IV-7: Number of Non-Fair Events by Type, 2009 and 2012				
Event Type	<u>2009</u>		<u>2012</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Social	51	52.0	56	56.0
Consumer	22	22.4	18	18.0
Sports Events	2	2.0	1	1.0
Trade Shows	2	2.0	0	0.0
Fairs/Festivals/Entertainment	2	2.0	8	8.0
Other	3	3.1	7	7.0
Total	82	83.5	90	90.0
¹ Total number of events by type of show does not add to 100 percent as some events were not able to be readily categorized.				
Sources: Placer County Fair Association; Gruen Gruen + Associates.				

Approximately 20 percent of events consist of consumer shows including consignment sales, dog shows, rail fairs, gem shows, bird shows, and other events open to the public. The number of

consumer shows has declined slightly from 22 events in 2009 to 18 events in 2012. As summarized below in Table IV-8, consumer events generate the highest rental fees per event.

TABLE IV-8: Fees Generated by Non-Fair Events in 2012		
Event Type	Total Fees \$	Approximate Fees Per Event \$
Social	100,366	1,792
Consumer	69,585	3,866
Fairs/Festivals/Entertainment	21,300	2,663
Sources: Placer County Fair Association; Gruen Gruen + Associates.		

Social events generated the largest amount of fees of slightly over \$100,000 in 2012. On a per event basis, the fees from social events totaled approximately \$1,800. The fees from consumer shows generated approximately \$69,600 in 2012. On a per event basis, fees for consumer shows were nearly \$3,900. It is not surprising that per event fees for consumer shows are higher since some consumer shows are two to three-day events.

The majority of fees from consumer shows in 2012, or about 70 percent, were generated from six events: two gem shows, two consignment sales, a dog show, and a rail fair. Each of these events generated fee revenue of more than \$8,000 per event. The K&N Series Race, held one day per year, also pays higher fee revenue. Fairs, festivals, and entertainment events generated approximately \$21,300 of fee revenue in 2012. One entertainment event that occurs annually at the Placer County Fair generated nearly 45 percent of the revenue from this event type.

Based on a review of listings of events, Table IV-9 presents an estimate of the number of event days by facility for 2009 and 2012.

TABLE IV-9: Number of Event Days by Facility, 2009 and 2012

Facility	2009 #	2012 #	Percent Change 2009-2012 %
Jones Hall	47	40	-14.9
Johnson Hall	50	47	-6.0
Lauppe Hall	17	12	-29.4
Garden Room	34	25	-26.5
Show Ring	1	7	600.0
Covered Barn	1	1	0.0
Red Barn Lawn	3	0	-100.0
Jones Hall Kitchen	1	0	-100.0
TOTAL	154	132	-14.3

Sources: Placer County Fair Association; Gruen Gruen + Associates.

The number of interim events declined from an estimated total of 154 in 2009 to 132 in 2012. Largest declines occurred in the use of Jones Hall, Lauppe Hall, and the Garden Room. The show ring experienced the only increase in usage, from one event in 2009 to 7 events in 2012.

Exhibition and Event Space Supply Competition

The results of our interviews with interim vendors and even promoters suggest that few if any event venues comparable in size - and more importantly price - to the Fairgrounds exist locally within Roseville. The geographic market area for non-fair events is somewhat bifurcated by the location of other nearby county fairgrounds capable of serving the broader Sacramento market (Gold Country Fair, Yolo County Fair, El Dorado County Fair, etc.) and the presence of larger full-service exhibition venues in the City of Sacramento including Cal Expo and the Sacramento Convention Center. Many of the vendors with whom we spoke, for example, have at one point considered renting facilities at Cal Expo, a much better known and established location. However none of the vendors, indicated that they could not afford/justify the rents at Cal Expo given their event budget and attendance. Interviews with some event promoters suggest that the local market area is lacking a large multi-purpose exhibition facility (of approximately 50,000 square feet). As summarized below in Table IV-10, the only existing venues in the region to provide contiguous exhibition spaces that large are located in Sacramento.

TABLE IV-10: Exhibit/Meeting Space Available		
Name <i>Community</i>	Total Amount of Exhibit/Meeting Space # Square Feet	Largest Contiguous Space Available # Square Feet
Cal Expo <i>Sacramento</i>	280,000	100,000
Sacramento Convention Center <i>Sacramento</i>	187,000	134,000
Citrus Heights Community Center <i>Citrus Heights</i>	29,200	11,000
Placer County Fair and Event Center <i>Roseville</i>	22,200	11,000
Orchard Creek Ballroom <i>Lincoln</i>	15,000	15,000
Thunder Valley Casino <i>Lincoln</i>	13,000	10,000
Maidu Community Center <i>Roseville</i>	11,200	4,100
Roseville Sports Center (Gymnasium) <i>Roseville</i>	10,000	10,000
Rocklin Event Center <i>Rocklin</i>	8,000	4,900
Placer Event Center <i>Rocklin</i>	3,000	3,000
Source: RCH Group		

Other local venues in Roseville, Rocklin, Lincoln, and Citrus Heights all tend to include less than 30,000 square feet of event space with the largest available spaces ranging from approximately 3,000 to 15,000 square feet. The All American Speedway is reported to primarily compete for attendees with other tracks in region such as the Stockton 99 Speedway, Placerville Speedway, Marysville Raceway Park, and Sonoma Raceway. As summarized below, the Stockton 99 Speedway is the only other venue to offer a 1/4-mile paved track:

- Stockton 99 1/4 mile asphalt oval, 5,000 seat grandstand
- Placerville Speedway 1/4 mile clay oval, 1,600 seat grandstand
- Marysville Raceway 1/4 mile clay oval, 3,000 seat grandstand
- Sonoma Speedway..... two roadway courses and 1/4 mile drag strip
- All American Speedway..... 1/3 mile asphalt oval, 1,000 seat grandstand

CHAPTER V: RECOMMENDED BUSINESS PLAN AND DEVELOPMENT PROGRAM

This chapter identifies and discusses recommended physical improvements and marketing efforts which should be considered and implemented for the annual County Fair and existing Fairgrounds to improve the attraction and performance of the overall Fairgrounds.

INTRODUCTION – CHALLENGES AND CONSTRAINTS OF THE EXISTING FAIRGROUNDS

As referenced in Chapters II and III, certain limitations of the current Fairgrounds site, which are beyond the County's ability to readily mitigate, include the following:

- Poor accessibility and visibility of the Fairgrounds from major roadways;
- Limited spillover/synergy with adjacent uses. The existing location lacks an adjoining critical mass of complimentary visitor-oriented amenities and attractions, although nearby downtown Roseville is targeted for the development of such uses; and
- The adjacent residential neighborhood and other land uses are impacted by visitor-attracting events such as the Fair, Speedway races, and concerts.

These constraints, in part, are likely to preclude the existing Fairgrounds from attracting and accommodating larger non-fair events (such as trade shows, conferences, and conventions, amateur sporting tournaments, and concerts/music festivals) which draw most of their attendees and participants from outside the County and which tend to require highly accessible event locations proximate to hotels and other visitor amenities, and away from single-family home residential neighborhoods or other potentially conflicting uses.

As described above, however, the Placer County Fairgrounds already has one of the larger exhibit/meeting buildings in the region, and larger, less price sensitive events/users have alternatives such as Cal Expo and the Sacramento Convention Center available to them within the region. Existing convention, exhibition and event facilities in the San Francisco Bay Area (especially San Francisco and Silicon Valley) and Sacramento have ample facility and hotel room capacity to serve a wide variety of events, including large conventions, trade shows, and corporate meetings as well as public consumer shows and concerts.

The research and analysis conducted as part of this Fairgrounds Assessment report suggests that a viable annual County Fair and Fairgrounds could still be operated at the existing site. However, the long-term viability of the Fairgrounds is likely to be contingent on the successful execution of certain improvements to the programming, management, and physical condition and appearance of facilities and the grounds.

Chapter VI outlines the elements of an idealized prototypical Regional Event & Community Center model for a potential future relocation elsewhere in the County.

REVENUE ENHANCEMENT STRATEGIES

The Fair and Fairgrounds needs to continually balance the County's agricultural heritage with the contemporary recreation, leisure, and entertainment preferences of the County residents and visitors. The Fairgrounds and Fair both must make programmatic and physical changes to the current facilities and operations to demonstrate and be recognized as a unique and valuable community resource – one which offers experiences and activities not readily duplicated elsewhere in the market area, and one that appeals to a broad spectrum of households and businesses. The following enhancement strategies and recommendations are intended to improve the current situation and enhance the near-term revenue potential of the Fair, as well as other Fairgrounds activities and uses:

- **Reduce the Footprint of the Annual Fair** - A consensus observation from the consulting team when attending the 2013 and 2104 annual Fairs was that the footprint of the Fair's activities is too spread out for the scale and scope of the event. The Fairgrounds property, excluding the All American Speedway, is comparatively large at over 40 acres. During the 2013 and 2014 annual Fairs some of the exhibit areas were not filled to capacity and gaps in activities and venues along the major pedestrian pathways seemed to indicate that either an insufficient number of vendors were participating, or the grounds were not fully programmed or sold out. If there are not enough exhibits to fill an exhibit space, then the PCFA should consider using a smaller space, or closing-off underutilized/empty sections of these exhibit areas during Fair time. The large amounts of vacant, unused space caused the exhibit area space to appear less impressive, and may have discouraged visitation or resulted in negative impressions. Unutilized dead space detracts from the Fair-going experience, and those areas of exhibit halls that are not necessary for a particular event should be closed off (with temporary dividing walls) to create a cozier and more inviting and vibrant atmosphere. Alternatively, this excess space could be better marketed, with discounted (or free) offers to first time vendors
- **Give More Attention to Details** - In addition to potentially holding the Fair within a smaller footprint, a lack of attention to detail was evident in places around the grounds. Some exhibition buildings, for example, had not been prepared in any way to reflect that the Fair was in progress with vendors located within the buildings.³ The livestock and animal exhibits seemed to be well organized and, although tucked away at the northern end of the grounds, could have been more prominently highlighted. The Judging Ring was particularly well situated to offer attendees the flavor of animal judging and the cadence of the auctioneer. Although clean, the grounds overall did not appear to be well landscaped, and more attention needs to be given to those details that will be appreciated by attendees.

³ One prime example involved the entry foyer into Jones Hall.

- **Limit Commercial Vendors and Generic Attractions** - The carnival rides and games did not appear to be well used, yet they occupy a considerable portion of the available Fairgrounds property. The location of the Fairgrounds in a densely populated urban market area, while representing a potential opportunity, also requires the Fair to more uniquely distinguish itself from other attractions and destinations available.⁴ The Fair should consider the amount of revenue and attendance these attractions generate in light of the physical space and costs required to accommodate such attractions. In 2012, carnival-related concession revenues totaled less than \$15,000. The Fair includes a variety of concessionaires and vendors, although few if any of them appear to be truly unique to Placer County. Improving the food and beverage offerings and increasing participation by local brewers, growers, restaurants, and wineries, would greatly improve the Fair.

It is important to have concessionaires and vendors that are authentic and reflect the character, history, or unique attributes of Placer County. Food and beverage offerings should include those of local /regional Placer County-based restaurants, farms, breweries, and wineries. Start a “Taste of Placer” and obtain participation of restaurants in Roseville and elsewhere in the County to participate by bringing their signature menu items, both during the Annual Fair, as well as non-Fair periods, such as done at the San Francisco Ferry Building, to the same area of the Fairgrounds. Encourage local wineries to establish a tasting room at the Fair and introduce new activities such as an amateur winemaking competition.⁵ The financial success of the Nevada County Fair, for instance, is partly attributable to the popularity of its “Treat Street”, which is primarily comprised of local food booths and vendors (the management of the Nevada County Fair minimizes reliance on large commercial vendors). Culinary offerings such as regional wines, beer, fruits, cheeses, oils, and breads, organized as a convenient and fun outdoor event or Farmer’s Market, have the potential to generate publicity via print and social/Internet media and thus could help improve the year-round visibility and brand recognition of the Fair and Fairgrounds by the public and potential sponsors.

It is also important to co-locate and cluster food and beverage vendors within a visible and accessible central portion of the Fairgrounds. The current concentration of food and beverage vendors is somewhat isolated and tucked away in the corner of the site. We recognize physical or utility constraints may exist on the placement of these vendors/concessionaires, but the Fair appears to have a few large internal roadways that could be utilized to configure food and beverage vendors in a linear Main Street-type setting. This may help to create a more lively and

⁴ We suspect that generic carnival-type activities and rides are generally viewed as second rate to larger and permanent amusement options (nearby examples of which include Golfand-Sun Splash Waterpark in Roseville, Raging Waters at Cal Expo, and Funderland in Sacramento).

⁵ The Placer County Wine & Grape Association, a local non-profit organization, promotes the making of wine and the growing of wine grapes in Placer County. The Fairgrounds should seek partnership with the Association and/or similar organizations. The Placer County Wine & Grape Association for example provides educational programs to their members and the public and also hosts an annual "Home Winemaker" competition.

social ambience; particularly given eating, drinking and socializing is often a primary motivation of Fair-goers.

In conjunction with these food and beverage strategies, the Fairgrounds should add a variety of concurrent small local acoustical musical acts, coupled with different food and beverage vendors, in separate venues throughout the site.

- **Plan and Operate Additional Fairground-Sponsored Events** – Food and ethnic-themed festivals can be extremely successful. For example, Berry Fest is perceived to be the signature event held at the Fairgrounds. With a net profit of approximately \$40,000 over two days (in 2012), it is by far the most productive non-fair event held at the Fairgrounds. To the extent possible, the success of Berry Fest should be replicated, bringing and promoting other food-themed events which have the benefit of appealing to a broad audience while generally requiring low fixed operating costs. Interviews with vendors and representatives from other fairgrounds suggest that food-themed events are increasing in popularity, particularly Farm to Fork type events that offer and showcase locally produced or grown organic goods. Given the increasing popularity and prevalence of breweries and wineries in Placer County, an annual Winefest and/or Brewfest should be relatively easy events to add.

PCFA should also consider sponsoring or accommodating a community farmer's market held once a week for a fixed duration of the year that includes Placer County food vendors, farmers, and musicians.⁶ A greater emphasis should also be placed on attracting and accommodating ethnic events which represent a growing source of demand, particularly Asian, and Hispanic events such as Quinceañera parties and rodeos, that tend to draw large crowds.

The process of inquiring and contracting to rent facilities for non-Fair events should be made as easy as possible. PCFA rental policy and application documents, for example, should be provided in both English and Spanish. Other large ethnic groups in the Sacramento area to which the PCFA should be increasingly alert for non-fair event opportunities include Chinese, Vietnamese, and Russian ethnicities.

- **Expand Fair and Non-Fair Programming** - Develop new Fair and tourism events and exhibit programs which better reflect and celebrate Placer County's unique heritage and emphasize historical events important to the County. Possible examples to highlight include the Gold Rush, the 1960 Winter Olympics, agriculture, including ranching, crops, and wineries, or the early development of the railroad infrastructure – we are in the midst of the 150th anniversary of the Transcontinental Railroad, and given Roseville's history and Union Pacific's presence here, this should also be a perfect themed event to add.

⁶ PlacerGROWN, which helps to connect Placer County residents and visitors with local farmers, ranchers and vintners, is an example of a potential partner for such an event.

Incorporate public service-type activities and events into Fair and non-Fair programming that will foster community goodwill and support, and improve the Fairgrounds' perceived relevancy within the Community. Coordinate with local healthcare, educational, and public safety organizations, for example, to host events like food drives for the needy, book drives, breast cancer screenings and awareness programs, and life safety education for school-aged children (related to topics such as bullying and cyber bullying, bike and pedestrian safety, and Halloween safety, etc.). These kinds of events will help generate increased visitation and make the Fair and Fairgrounds more relevant to the Placer County community by improving the perceptions of the Fair and Fairgrounds as a valuable community resource and gathering place for families.

To further increase the participation of young people in the Fair (children and young adults under the age of 21 represent a disproportionately low share of Fair attendance), new exhibit categories such as robotics, or hack-a-thons or other special competitions, or activities other than traditional agriculture and animal husbandry, will need to be created and should reflect input from local schools, park districts, sports leagues or other youth-oriented groups. Expand the use of social media as a promotional tool, for example, to include Instagram photo contests that reference the Placer County Fair and/or Fairgrounds. Encourage local schools and teachers to participate in an "Are you Smarter than a 5th Grader?" contest at the annual Fair (topics of the contest could be made relevant to Placer County).

Seek to make agriculture education serve to attract visitors by coordinating with local wineries and agricultural producers and the University of California to develop an Agricultural Expo that includes learning stations on the science and business of wine making, fruit growing or even master gardening and composting. An Agricultural Expo could be designed to showcase successful agricultural producers and suppliers active in the region and equipment dealers, some of whom could be potential sponsors or contributors to this type of event, on a year round basis.

- **Actively Promote Fair and Availability of Facilities** - As part of community and political outreach, encourage local public and non-profit institutions, organizations, and local employers to hold meetings at the Fairgrounds facilities as well as encourage them to participate in the annual Fair. Local organizations (and businesses) can be encouraged to utilize the Fairgrounds to promote their own causes and brands, while showcasing their commitment to the community.

The Fairgrounds could be promoted as a location for a wide array of training and instruction such as for quilting, gardening, arts and crafts, music lessons, dances lessons, pet training, CPR classes, UC Extension classes, etc.

Naming rights could be offered to donors in exchange for donations helping to fund building, facility, and grounds improvements.

Additionally, perhaps Roseville Electric (and Environmental Utilities), PG&E, and/or PCWA might provide free or discounted utilities in exchange for being able to establish an Energy Pavilion with permanent displays and demonstrations of innovative, cutting-edge, energy-efficient technologies. Given the baseline annual Fairgrounds attendance at 30,000+ visitors per year, this would be an excellent showcase for the utilities and could be a major attraction for the entire region.

Another possibility might be the Sacramento Kings, under their new ownership, establishing a permanent kiosk for individual game and season ticket sales, as well as promotion of the new arena. With 15% of season ticket holders being from Placer County, in addition to the kiosk, interactive displays and space for a temporary court (such as was erected on Capitol Mall in May to showcase the team) could be constructed where players could appear to hold clinics, sign autographs, and generally give back to the local charities in the community.

- **Start a Concessionaire Award Program** – to recognize those Fair vendors that do particularly good jobs with their booths, service delivery, being good neighbors to other vendors, and obtaining high sales (a sign of being favored by the public).
- **Make it Easy for People to be Aware of Activities** – To assist groups and make more people aware of activities designate areas and times during the annual Fair to facilitate reunions and get-togethers for school groups, library book clubs, church groups, and athletic teams, etc. Upgrade the Fairgrounds’ entry signage to include an electronic bulletin board to display such scheduled events.
- **Focus on Capturing a Greater Number of Visitors** – The Fairgrounds is located in a much more densely populated and affluent area than most county fairgrounds. The number of people living within five miles of the Fairgrounds, for example, is estimated to be 2.5 to 8.5 times greater than other fairgrounds in the region. Approximately 275,000 people reside within five miles of the Fairgrounds, yet the 2013 County Fair drew fewer than 30,000 attendees. The PCFA does not do a good job of reaching out to, and capturing its local market. Future advertising and promotional endeavors for the Fair should be directed to capture more visitors and Fair-goers from this local market.
- **Improve and Expand Marketing and Advertising for the Fairgrounds** - A clear need exists for improved promotional and marketing efforts if the Fairgrounds is to attract and host a greater number and variety of non-Fair events and serve as an Event Venue. A consistent result of our stakeholder outreach was that cross-marketing between complimentary public and non-profit organizations and the Fairgrounds needs to be utilized more frequently and extensively.

The Fairgrounds is not well recognized or known as an available event venue, and the facilities and setting are generally perceived negatively by the community. Many interim event vendors

with whom we spoke, for example, indicated that they learned of the facilities and space available at the Fairgrounds largely through word of mouth or personal connections.

In addition to collaborating more closely with nearby cities and other public organizations (e.g., Placer Valley Tourism and Placer County Visitors Bureau) to promote events being held at the Fairgrounds and the availability of facilities, encourage local organizations to hold their meetings and events at the Fairgrounds. The PCFA should be a member of each of the local chambers of commerce and work closely with service clubs to enlist their support and volunteer services.

- **Improve Market Research and Record Keeping** - Visitor surveys can be a useful tool to assist in identifying desired events, programs and activities by Fair attendees. Visitor surveys conducted at the Fair in the past appear to have been written as exit surveys for Fair-goers but were treated as entry surveys during our attendance in 2013. Furthermore, the surveys were far too lengthy with 29 questions, many of which were in regard to preferred or favorite activities and attractions and were thus intended to be answered after the Fair experience. In the future, , survey research should be more brief and less focused on obtaining personal information (including names, telephone number and email address), and more focused on obtaining information useful for programming and improving the Fair experience. In general, the design of the survey needs to be substantially improved, with proper training and supervision provided to those individual who engage visitors to complete the survey. Although a bit lengthy, an example of an exit survey that would be useful for future programming is included as Appendix D.

Detailed record keeping, both from surveys as well as consistent financial reporting, could be substantially improved and be better utilized as a management tool to monitor changes in revenues and expenses, the factors accounting for changes, and to identify opportunities for increasing events and activities and associated revenues. A formal database of vendors paying interim rent and/or license fees should be established and maintained.

BRANDING, SIGNAGE, AND "IMAGE ENHANCEMENT" STRATEGY

The Fairgrounds would benefit from better external imagery and signage, and a consistent brand message. Primary disadvantages or constraints of the Fairgrounds cited by multiple vendors and stakeholders include (a) lack of visibility and access to a major road or freeway and (b) lack of brand recognition within the community. The location of the Fairgrounds is not well known nor has it been established or marketed as a preferred venue for non-fair events. In fact, as previously mentioned, a few interviewees from surrounding municipalities were under the impression that the annual Placer County Fair was held in Auburn at the Gold Country Fairgrounds.

Both basic public area (front of house) maintenance and creating a special environment that delights (including attractive landscaping and architectural lighting) are key details if the Fair brand promise is to be kept. The PCFA should draw upon its volunteer base (or work to establish a broader base

beyond its Association and Board members) to plant flowers or install other landscape improvements in areas such as along Washington Boulevard. The best place-based brand development requires many small acts and attention to details that visitors and space users will appreciate, rather than experiencing those details (which are off message).

The first impression of the Fairgrounds for neighbors, passers-by, and a majority of Fair-goers and interim event visitors, comes from the visual exposure along Washington Boulevard. This frontage represents the “front door” of the Fairgrounds and as such needs to be a clear and positive indicator and reflection of what the visitor can expect to experience within the Fairgrounds. Typically, a roadway of this stature would have distinctive and informative signage, lead directly to parking and the main gate complex, be attractively landscaped, and possibly offer some interior views of the grounds. Parking is also psychologically important to show vibrant day-to-day utilization of the site, with some parking typically located near the main entrance for the convenience of smaller interim event usage and day-to-day administrative needs.

Most striking about the first impression of the Fairgrounds is that the main gate is set back from Washington Boulevard, All American Speedway, a limited use facility, blocks the view of the Fairgrounds, likely leaving the impression that the primary focus of the Fairgrounds is the Speedway itself. The existing Fairgrounds entry signage along Washington Boulevard is a rather small, somewhat ordinary sign, that although perhaps retro in appearance, it is not capable of displaying timely or rotating information about upcoming events. Most modern Fairs strive to have digital signage that provides information about upcoming events, displays community messages, and provides a source of revenue through rotating advertisements. The installation of digital signage should be considered (separate, or integrated with the existing signs), especially given that some vendors may provide the signs at no cost, depending upon likely advertising revenue-sharing arrangements.

PROJECTION OF NET OPERATING REVENUES AS A RESULT OF IMPROVEMENTS

Table V-1 summarizes a projection of the Fairgrounds’ incremental revenues and expenses in a prototypical year, assuming the successful execution and implementation of the revenue enhancement strategies and recommendations summarized above, and discussed below, in fact help to increase visitation and attract more vendors (the estimate of incremental revenues and expenses are in addition to existing Fairgrounds and non-Fair revenues and expenses, including the Speedway).

TABLE V-1: Estimate of Incremental Net Operating Income Generated in Prototypical Future Year			
Revenue Enhancements	Revenue \$	Expense \$	Net Income \$
1. Improved Annual Fair	120,000	(48,000)	72,000
2. Additional Fairgrounds-Sponsored Events	100,000	(60,000)	40,000
3. Additional Interim Non-Fair Events	88,500	(17,500)	71,000
4. Permanent Use Opportunities	35,000	-	35,000
5. All American Speedway Lease ¹	175,000	-	175,000
SUBTOTAL	518,500	(125,500)	393,000
Additional Maintenance Expenditures	-	(50,000)	(50,000)
Additional Marketing and Publicity Expenditures	-	(25,000)	(25,000)
TOTAL	518,500	(200,500)	318,000
¹ Assumes an interim lease to, or contract with, a third party operator and/or promoter.			
Source: Gruen Gruen + Associates			

The factors and considerations upon which the estimates presented above in Table V-1 are summarized in greater detail below. In its current location, we estimate a potential incremental increase in Fairgrounds operating revenues of approximately \$520,000 attributed to five sources:

1. An improved annual Fair;
2. Two additional Fairgrounds-sponsored festivals, similar in scale to BerryFest;
3. Moderately improved utilization of the Fairgrounds for non-fair events;
4. The use of a small portion of the grounds for a permanent rent-paying recreational use; and
5. A lease of the All American Speedway to a third party operator/promoter.

Before pursuing implementation of this particular revenue enhancement element, it will be necessary to first determine if the last decade's downward trend in racing will change with an improving economy, then determine if the cost of the environmental document and mitigation improvements will be warranted. Specifically, in conjunction with other expenditures deemed critical for enhancing the Fair experience and the resulting increase in revenues, the County will need to evaluate the risk and likely return on investment (if any) against the actual and perceived impacts of Speedway operation on the adjacent neighborhoods.

Incremental annual operating expenses estimated to be directly incurred to capture these additional revenues are estimated at approximately \$125,000. In addition to the variable expenses associated with the production and operation of the Fair and non-fair events and festivals, increased overhead expenditures should be anticipated for (a) the improved maintenance of the Fairgrounds and facilities and (b) more extensive advertising, marketing, and publicity efforts. These additional operating costs are estimated to total approximately \$75,000 in a prototypical year. The net operating income, or net

profit, resulting from these identified incremental revenue opportunities is estimated at a total of approximately \$318,000 in prototypical year.

Based upon this estimate of incremental revenues and expenses, Table V-2 summarizes an estimate of total (e.g., existing plus incremental) operating revenues and expenses in a prototypical year.

TABLE V-2: Estimate of Total Operating Revenues and Expenses in Prototypical Future Year		
	2012 Actual \$	Prototypical Future Year \$
OPERATING REVENUE:		
Fair and Non-Fair Activity	661,129	1,004,629
All American Speedway	469,225	175,000
Total Operating Revenue	1,130,354	1,179,629
OPERATING EXPENSES:		
Fair and Non-Fair Activity	(685,676)	(886,176)
All American Speedway	(483,409)	-
Total Operating Expense	(1,169,085)	(886,176)
NET OPERATING PROFIT (LOSS):		
Fair and Non-Fair Activity	(24,547)	118,453
All American Speedway	(14,184)	175,000
Total Operating Profit (Loss)	(38,731)	293,453
Source: Gruen Gruen + Associates		

In 2012, the Fairground and All American Speedway are estimated to have produced a combined operating loss of approximately \$40,000. In a prototypical future year, we estimate that Fair and non-fair activities are capable of generating just over \$1 million in annual operating revenue. We estimate that an additional \$175,000 of annual revenue can likely be obtained from the lease of the All American Speedway to a third party operator/promoter, for total annual operating revenue of approximately \$1.18 million. As indicated previously, additional annual operating expenses are estimated at approximately \$200,000, suggesting that the total operating expense of the Fairground could increase to approximately \$890,000. The operating expense liability of the Speedway would be incurred by the third party operator/promoter.

When compared to actual operating performance in 2012, the incremental projections of revenues and expenses suggest that the Fairgrounds may feasibly generate a net operating profit of just under \$300,000 in a prototypical year. The Speedway is likely to generate the majority (60 percent) of annual net operating profit.

IMPROVE PERFORMANCE OF ANNUAL FAIR

Relative to many other County Fairs in Northern California, the volume of revenue generated by the annual Placer County Fair is low. This is especially true considering the large physical size of the Fairgrounds and the urban, dense nature of the market area in which it is located. The Fair is held in a much more densely populated and affluent area than many fairgrounds and with approximately 44 acres of land available for fair-time use (excluding the All American Speedway), the grounds are comparatively large. The 2012 Placer County Fair generated approximately \$270,000 of annual revenue or about \$6,100 per acre of land.⁷ The 2013 annual fair generated annual revenues of over \$243,000 or about \$5,500 per acre of land. The Annual Fair revenue did increase by approximately 45 percent or \$85,000 between 2010 and 2012, due largely to an increase in admission revenue (the 2010 Fair was a “free gate”). Fair revenue for 2013 decreased slightly to approximately \$243,000. Not including any portion of the fixed overhead cost of Fairground operations (e.g., Administration, Maintenance and Operations), expenses related to the production and operation of the Annual Fair were reduced by approximately \$72,000 or 33 percent over the 2010-2013 period. Lower expenditures for Fair Entertainment and Exhibits accounted for much of the operating expense reduction. As summarized below in Table V-3, the Annual Fair produced net operating losses of approximately \$35,000 and \$45,000 in 2010 and 2011, respectively. The 2012 Fair generated a net profit of approximately \$146,000. The 2013 Fair generated a net profit of approximately \$95,000. We have not received financials for the 2014 Annual Fair.

⁷ The per-acre revenue productivity of the Placer County Fair is considerably lower than many other County Fairs. As reviewed in the case study of other nearby fairgrounds (Appendix C), 2012 Fair revenue at each of the other five fairgrounds reviewed exceeded \$12,000 per acre.

TABLE V-3: Historical Operating Profitability of Annual Placer County Fair

	2010 Actual \$	2011 Actual \$	2012 Actual \$	2013 Actual \$
Total Fair Operating Revenue ¹	185,826	184,656	270,587	243,403
Total Fair Operating Expense ²	(219,715)	(229,801)	(124,696)	(148,088)
Fair Net Operating Profit (Loss)	(33,889)	(45,145)	145,891	95,315
Net Profit Margin	NA	NA	54%	39%
¹ Includes Admission, Commercial Space, Concessions, Exhibit, Fair Attractions, Parking, and other Miscellaneous Fair revenue.				
² Includes expenditures related to Publicity, Attendance Operations, Exhibits, Fair Entertainment, Utilities and Security, and other Miscellaneous Fair expenses. Does not include any portion of fixed overhead costs for Administration or Maintenance and Operations as they were not allocated.				
Sources: Placer County Fair Association; Gruen Gruen + Associates.				

The 2012 Fair is estimated to have produced a net profit margin of approximately 54 percent. The 2013 Fair operating revenues and expenses declined in the net profit margin to approximately 39 percent. A review of operating statements for other fairgrounds suggests that a typical net profit margin of approximately 55 to 65 percent should apply; or in other words, \$55 to \$65 of net revenue for every \$100 of gross revenue. For purposes of the incremental Fair revenue and expense projection, we assume that a 60 percent net profit margin can be achieved. It is important to note, however, that PCFA accounting records do not reflect any clear or consistent allocation of overhead costs, meaning that this projected profit margin may not be entirely accurate.

Preliminary Improvement Development

If the Fair improvement recommendations summarized previously can be effectively executed, the Fair is likely to generate additional incremental revenue from two sources:

1. Increased attendance; and
2. Higher per-capita spending.

The comparatively low revenue productivity of the annual Fair primarily relates to a persistent trend of low attendance. The 2013 Placer County Fair's rate of attendance was 7.8 per 100 County residents. As summarized in Appendix C, the rate of attendance for the 2013 Gold Country Fair, also in Placer County, was slightly higher at about 9.8 per 100 residents. Attendance rates at other nearby county fairs are considerably higher, ranging from 30 to 100 attendees per 100 county residents. Other fairs do a comparatively better job of capturing more of their local markets and attracting fair-goers from further distances. Considering the size of its market, it should be feasible for the Fair to draw an additional 10,000 visitors, increasing its attendance to approximately 40,000 (representing an

attendance rate of about 11 visitors per 100 County residents). This level of attendance, if achieved, would remain well below that of most other county Fairs (the Yolo County Fair, El Dorado County Fair, Yuba-Sutter Fair, and Nevada County Fair each draw more than 50,000 attendees).

Assuming proper management and marketing, with implementation of the enhancements and changes discussed above, and the addition of programs and venues suggested by the findings of our market review and stakeholder interviews, these changes to the Fairgrounds and annual Fair operations should result in an improved annual Fair and thus incremental increase in associated net revenues for a prototypical future year, as summarized in Table V-4.

TABLE V-4: Estimate of Incremental Fair Revenue in Prototypical Future Year	
	Prototypical Future Year \$
REVENUE FROM ADDITIONAL FAIR VISITORS:	
Parking and Admission @ \$3.75 Per Capita	37,500
Concessions @ \$3.00 Per Capita	30,000
<u>Other @ \$2.25 Per Capita</u>	<u>22,500</u>
Subtotal	90,000
INCREASED REVENUE FROM EXISTING FAIR VISITORS:	
Concessions @ \$1.25 Per Capita	37,500
<u>Lost Commercial Exhibit Revenue @ (\$0.25) Per Capita</u>	<u>(7,500)</u>
Subtotal	30,000
TOTAL ADDITIONAL FAIR REVENUE:	120,000
Additional Fair Operating Expenses ¹	(48,000)
ADDITIONAL NET FAIR REVENUE:	72,000
¹ Includes variable expenses which are likely to increase with the scale of the Fair, such as those associated with utilities, Fair exhibits, Fair entertainment, attendance operations, publicity/advertising, etc. Estimate assumes that a 60 percent net profit margin applies to Fair time revenue (based on the historical characteristics of the Fair and comparison to other county fairs, as reviewed in the case study in Appendix C). Does not include any portion of Fairground overhead expenditures related to Administration or day-to-day Maintenance and Operations as they were not allocated.	
Source: Gruen Gruen + Associates	

The estimate of incremental revenue attributed to 10,000 additional Fair attendees of \$90,000 is based upon an expenditure estimate of \$9 per capita. This reflects a \$1 per capita increase to 2012 Fair revenue which we estimate can be achieved through improved concession offerings. The relatively modest increase in per-capita expenditures, when also applied to the existing level of visitation, suggests an additional \$30,000 in revenue may be achieved in a prototypical year. To accommodate a

greater number and variety of concession offerings, we assume that a portion of revenue generated by commercial exhibits and vendors will be displaced.⁸

Applying a net profit margin of 60 percent to the incremental operating revenue estimate of \$120,000 suggests a net profit of approximately \$70,000 in a prototypical year.

Net Operating Income Increase Factor 2 - Additional Fairground-Sponsored Events

Potential exists for the Fairgrounds to build upon and replicate the success of BerryFest by coordinating and sponsoring additional food-themed and/or ethnic-focused festivals. The projection of incremental revenues and expenses is predicated on the development and production of two additional sponsored festivals. Revenue of \$50,000 per festival is assumed and a net profit margin of 40 percent is estimated (based on the performance of BerryFest), indicating potential annual incremental revenue of \$40,000.

Net Operating Income Increase Factor 3 - Additional Non-Fair Interim Events

The Fairgrounds hosted approximately 130 non-fair event days in 2012 according to records obtained from the PCFA. The Fairgrounds hosted approximately 150 non-fair event days in 2009, representing a 14 percent decline over the three year period. If efforts to market and brand the Fairgrounds as an event location are enhanced and facility limitations cited by multiple interim vendors are removed or mitigated (especially including those associated with unreliable utility service and inadequate/unsanitary bathrooms), we estimate that the Fairgrounds should be able to feasibly accommodate and attract approximately 25 percent more non-fair event days than currently served in a prototypical year.⁹ This equates to approximately 35 additional non-fair event days per year. Based upon the composition of existing non-fair events held at the Fairgrounds, it is likely that 20 of these event days will be for social events and 15 event days will be for larger consumer shows and/or festival-type events. Table V-5 below summarizes our projection of prototypical net annual revenue associated with an increase in interim non-fair event activity.

⁸ The Fair currently generates an unusually high proportion (20 percent) of its revenue from commercial exhibits. Commercial exhibits comprise, on average, less than 9 percent of revenue at other county fairs reviewed as part of the case study.

⁹ The case study of other comparable fairgrounds in the region suggests that a 25 percent increase in non-fair event activity should be feasible. Non-fair interim revenues per acre of land at four of five other fairgrounds with whom we spoke range from 22 percent to 103 percent greater than the non-fair revenue productivity of the Placer County Fairgrounds.

TABLE V-5: Estimate of Prototypical Net Annual Revenue Generated by Additional Non-Fair Interim Events			
Event Type	Revenues ¹ \$	Expenses ² \$	Net Profit \$
Social (20 Event Days @ \$1,800/Day) ³	36,000	(7,000)	29,000
Consumer & Festivals (15 Event Days @ \$3,500/Day) ³	52,500	(10,500)	42,000
Total	88,500	(17,500)	71,000
¹ Revenue estimates based upon existing rental fees per event. ² Expense estimates based upon review of historical financial statements and interim non-fair activity levels. Assumes expenses for interim security, supplies and expenses, and utilities of \$350 per social event and \$700 per consumer event or festival. ³ Assumes full rental rates – PCFA has recently discussed the possibility of offering mid-week discounts which, if implemented, would reduce net revenues.			
Source: Gruen Gruen + Associates			

We estimate that 35 additional non-fair event days could generate a net profit of approximately \$70,000 per year or on average about \$2,000 per event day, assuming non-discounted rental rates.

Net Operating Income Increase Factor 4 - Permanent Use Opportunities

The projection of incremental net revenue includes annual ground rent of \$35,000, or approximately \$3,000 per month, for the use of approximately five acres of the Fairground property by a year-round paintball facility. For example, a builder/operator of paintball facilities is actively seeking to expand in Northern California, and has expressed a strong interest in developing a permanent facility at the Fairgrounds. This use would provide a compatible, destination-type attraction and would not necessarily require frontage or visibility to Washington Boulevard.

Other uses for portions of the site which may have the potential to generate recurring revenue include cell tower leases, public and private schools, expansion of the existing RV Park, other recreational uses, and other forms of extreme sports uses similar in nature to a paintball facility, such as a skate park or extreme obstacle course.

Net Operating Income Increase Factor 5 - All American Speedway Lease

Market reconnaissance and stakeholder outreach conducted as part of the Fairgrounds assessment suggests that although auto racing nationwide has generally been on a downward trend, there is interest among race promoters to operate and manage the All American Speedway. We understand that proposals have been made in the past to the PCFA, but have not been accepted. Given the uncertain near-term financial position of the Fairgrounds, a guaranteed source of positive net revenue associated with the Speedway should be considered for interim operations. Based upon proposals previously made to operate the Speedway, we estimate that a fixed base rent of approximately \$150,000 per year,

plus performance-based participation rent, is a reasonable expectation. We estimate, perhaps conservatively, additional performance-based participation rent of an additional \$25,000 per year for total net annual revenue of \$175,000.¹⁰ We also understand that if the Speedway option is pursued, certain improvements (and their respective environmental and administrative permitting costs) will be required, the investment of which will need to be evaluated as part of the overall return on investment determination by either the County or the operator. Additionally, the broader issue of the Speedway's mid-term to long-term compatibility with the surrounding neighbors and land uses will need to be addressed.

RECOMMENDED INTERIM FACILITY IMPROVEMENTS

In addition to the recommended near term enhancement strategies discussed above, a detailed analysis of the current Fairgrounds operations and facilities provided the basis for a number of recommended additional improvements which are intended to result in making the facilities and grounds even more conducive to positive Fair-goer and vendor experiences, and thus generate increased revenues for the next 5 to 10 years, which is the anticipated interim period that would ensue before a new site would likely be ready for relocation of the Fairgrounds, if the County determines that is their preferred action. This, in conjunction with an expressed need to rebrand and better market the Placer County Fairgrounds and Event Center, provided further reason to improve the perception and reputation of the Fairgrounds within the local community and region. These additional improvements and marketing efforts may be implemented in a variety of ways, depending on ultimate prioritization of available capital, but are critical whether the Fairgrounds is to remain in its current location or is to be relocated. The attendance patterns and financial performance raise the question as to the real necessity and purpose of an annual Placer County Fair or even a Fairgrounds, but in order to support and warrant the significant capital investment that would be required in a relocation and reconstruction effort, as stated previously, we believe it is imperative that the Fair and Fairgrounds first re-establish its reputation and status in the community. And this effort should begin with a combination of near term physical enhancements and signage, followed by a concentrated marketing effort and better programming. These enhancements are categorized below as Baseline Improvements and Mid-Term Improvements.

Near Term Improvements

With the intent of enhancing both the image and functionality of the Fairgrounds, the following physical improvements, as illustrated in Figure V-1, represent those baseline or near term elements, in conjunction with enhanced marketing efforts and possible modification of the current governance structure and management, that are recommended in order to make the Fairgrounds more competitive in the near-term (approximately 5 years). These first-priority baseline physical improvements include:

¹⁰ A third party operator may be willing to pay additional performance-based rent of 10-20 percent of revenues exceeding a reasonable base threshold (e.g. 15 percent of revenues in excess of \$500,000).

1. Frontage Signage and Speedway Screening
2. Internal Signage and Way-finding
3. Relocation and Expansion of RV Park
4. Jones Hall Renovations
5. Infrastructure Deficiencies
6. Speedway EIR and Mitigation Measures

One of the greatest problems the Fairgrounds faces is its image in the community as a fair and events center. The first impression of the grounds from Washington Boulevard, an unscreened view through the pits to the imposing Speedway structure that physically and visually blocks and separates passing motorists from the main Fairgrounds might lead one to assume this site simply hosts Saturday night races and an annual county Fair. This misperception is exacerbated by a primary vehicular (and as a result, pedestrian) entry, which requires a circuitous route along the edge of the adjacent residential neighborhood, requiring two 90 degree turns before entering a poorly-maintained parking lot. From this parking lot the Fairgrounds are accessed through what looks and feels somewhat like the “back of house” (refer to the Facility Assessment Memorandum in Appendix E). This main entry is a bit confusing, inconvenient, and is not designed or maintained with the user experience in mind. Combine this with the “tired” condition of buildings, events, and venues offered, and it all adds up to the need to enhance and rebrand the Fairgrounds.

1. The baseline improvement effort should start with changing how the Fairgrounds is perceived from Washington Boulevard and All America City Boulevard, as well as from Corporation Yard Road. The Speedway and Pit Area need to be downplayed and screened as much as possible, treating those edges with landscaping and screen fencing.

At the primary corner of Washington Boulevard and All America Boulevard, starting perhaps installing an iconic sculpture or fountain there, or even simply adding enhanced landscaping at that location, then extending the selected treatments in both directions (west and north). One approach would be a combination of colored mesh screening (such as is used for tennis courts or some construction sites) attached to the fencing, and intermittent colorful fabric banners and/or murals painted on panels by local artists depicting various Fairgrounds activities.

Additionally, the existing Fairgrounds signage should be supplemented with digital boards to provide advertising and announcements of upcoming events. There may be vendors who would contribute these digital signs, or sell them at a discount, in exchange for advertising.

2. The next elements of this baseline improvement program would involve internal enhancements, including an improved signage and way-finding effort, which simply means an effort to better identify buildings and venues, as well as provide clear direction to each. This

would be a combination of large signs that announce the various events and clearly indicate the building or venue where the event is being held. Color-coded location maps and signs, large lettering, as well as color-coded walks (think yellow brick road), will help better direct visitors to specific events.

3. Additionally, relocation of the RV Park from the Core Area to the west, and expanding the capacity from the current 10 fully-serviced and 10 half-serviced spaces to 30 fully serviced spaces or more. Relocating the RV park would free up area near the core of the Fairgrounds which could be used for other, more critical Fairgrounds functions, and should quickly generate additional revenues.
4. Make upgrades to the inside of Jones Hall. Near Term improvement options are shown on Figure V-1. By performing simple enhancements to the interior of Jones Hall, such as creating a larger volume by eliminating the drop-down ceiling, the installation of new skylights, adding additional lighting as well as some cosmetic improvements (including cleaning up the restrooms), the facility will look much larger and feel more alive inside. In addition, the stage and ramp needs to be rebuilt and subject to ADA compliance.
5. Correct other infrastructure deficiencies including resurfacing parking lots, repair existing electrical problems.
6. In conjunction with these near term improvements, we recommend that the EIR and mitigation measures be completed for the Speedway.

The order of magnitude estimated costs for these initial capital improvements are listed in Table V-6.

TABLE V-6: Near Term Capital Improvements and Estimated Costs	
Item	Estimated Cost \$
1. Frontage Signage and Speedway Screening ¹	\$125,000
2. Interior Signage and Way-finding	\$60,000
3. RV Park Relocation and Expansion (30)	\$300,000
4. Jones Hall Renovations	\$120,000
5. Infrastructure Deficiencies	\$250,000
6. Speedway EIR and Mitigation Measures	\$175,000
Subtotal	\$1,030,000
Contingency (20%)	\$206,000
Soft Costs ² (20%)	\$206,000
TOTAL	\$1,446,000
¹ Assumes a portion of the screening is done through local arts groups, schools, and non-profits ² Engineering Design, Permitting, etc.	
Source: RCH Group	



Figure V-1: Near Term Improvements
Placer County Fairgrounds Assessment



Mid-Term Improvements

The above-referenced baseline capital improvements will be of some help, but absent critical additional physical improvements, those alone are not going to immediately transform the Fairgrounds or necessarily result in an immediate return on investment. They will, however, be a worthwhile and cost-effective step in changing first impressions and starting a transition for the Fairgrounds. If the County were to decide that the current Fairgrounds location is a reasonable place to remain then a next step and component of an improvement program would include the next level of critical enhancements, the capital costs for which might then be reasonably amortized over the extended/remaining life expectancy of the Fairgrounds. We suggest that this include remedying the current Fairgrounds access challenge, which is circuitous and not inviting. Thus, a key element of this rebranding effort should include establishing new access to the Fairgrounds from the north, which would also facilitate convenient, close-in parking of Corporation Yard Road. Doing so would require some frontage improvements along Corporation Yard Road, moving the maintenance facilities to a new temporary location, demolishing the livestock barn and the development of a replacement parking lot adjacent to the livestock area, and the re-striping of the existing parking, allowing the two areas to work as one and create roughly 250 parking spaces and a new drop-off area. This area would then become the primary access and parking area for the Fairgrounds, with the unimproved lot to the south used for overflow and flex space.

The next step would be to create a large central and singular space in the Fairgrounds core, where activities, vendors, and events could be concentrated. Multi-use outdoor spaces at the Fairgrounds currently take place in linear strips of pavement and expanses of turf, which are interspersed with tables, shade structures, and small stages. To remedy this design deficiency, a larger multi-purpose hardscape area could be constructed in the area between Johnson Hall and the Grandstand, designed to provide permanent stall areas for vendors, pedestrian isles, and shade. Performing art productions could also take place within this area, which, by concentrating activities here, would make the Fairgrounds look far more, active, exciting, and successful. However, even this improvement would likely have minimum beneficial impact unless a more extensive effort is also made to improve the access, internal circulation, and parking.

The costs of these improvements, however, in conjunction with the likely design, environmental, and permitting process, given the likely remaining life expectancy of this location, may render this level of effort infeasible. Table V-7 presents an estimate of the costs to complete these additional mid-term recommended improvements.

TABLE V-7: Mid -Term Capital Improvements and Estimated Costs	
Item	Estimated Cost \$
Core Area Multi-Use Open Space Improvements	\$1,200,000
New Access & North Parking Area Improvements	\$650,000
Corporation Yard Road Improvements	\$175,000
Subtotal	\$2,000,000
Contingency (20%)	\$400,000
Soft Costs ¹ (20%)	\$400,000
TOTAL	\$2,800,000
¹ Engineering Design, Environmental, Permitting, etc.	
Source: RCH Group	

It is important to note, that without implementation of the mid-term improvements described above and listed in Table V-7, it is doubtful that the enhanced Fairgrounds financial performance would be fully realized only the Baseline Improvements to the extent shown in Table V-2 due to the fact that just the Initial Improvements alone would not generate significant enough changes. However, with enhanced management, promotion and branding efforts, the revenues may be increased without the additional investment, and an operator/partner may be willing to invest a portion of this amount in exchange for a five to 10-year contract.

CAPITAL IMPROVEMENTS AND FUNDING REQUIREMENTS

Estimated Capacity to Finance Improvements

Table V-8 summarizes the estimated debt capacity of the net operating income in a prototypical future year projected to result from implementation of the revenue enhancement strategy and completion of the capital improvements summarized above in Table V-6.

TABLE V-8: Estimated Debt Capacity of Net Operating Income in Prototypical Future Year	
Annual Net Operating Profit	\$293,500
Debt Coverage Ratio	150%
Revenue Available for Debt Service	\$195,667
Annual Interest Rate	6.0%
Amortization Term (in years)	10
Loan Principal Supported	\$1,440,124
Source: Gruen Gruen + Associates	

Based upon a debt service coverage ratio of 150 percent (e.g., \$150 of revenue for every \$100 of debt issued), an annual interest rate of 6.0 percent, and a 10-year amortization term, the projected annual net operating profit would support approximately \$1,440,000 of funding for capital improvements. If amortized over a shorter five-year term, approximately \$825,000 of funding would be supported by the revenue.

Additional sources of money required to fund the complete Baseline Improvement program could be attained from corporate sponsors, institutional partners, contributions and participation with non-profits.

OPERATIONAL AND GOVERNANCE MODEL

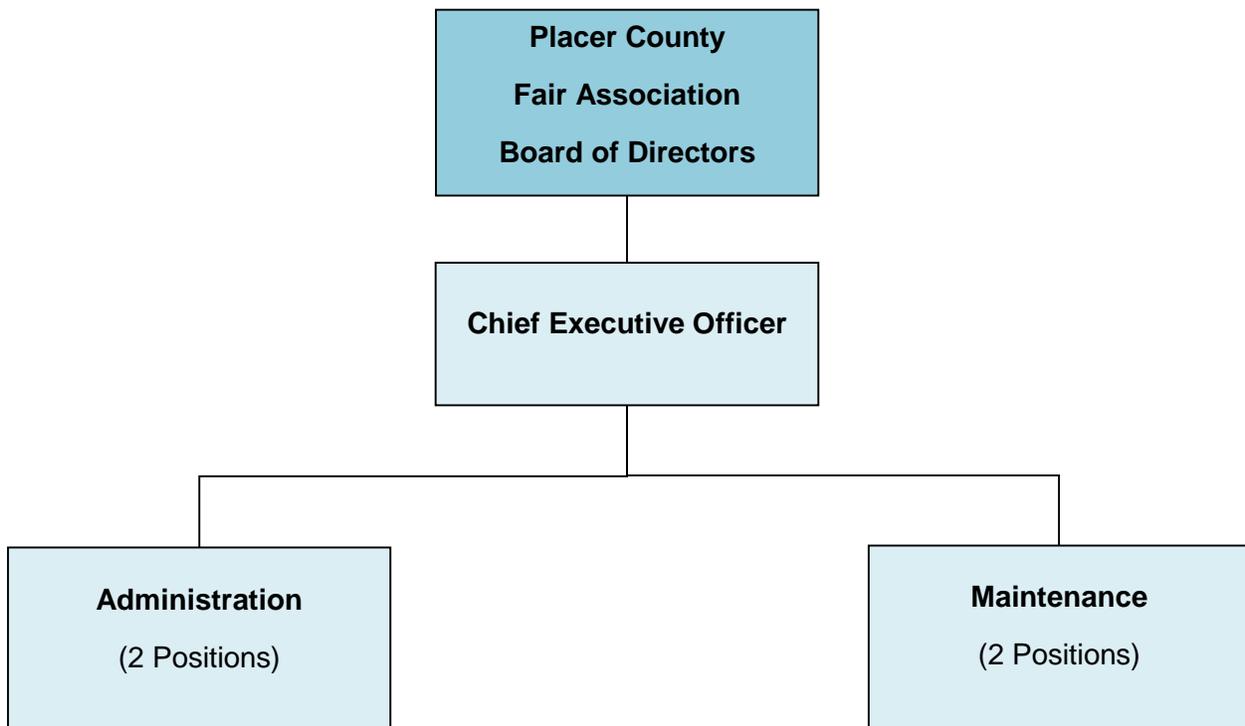
Current Governance and Organizational Structure

The Placer County Fairgrounds is currently operated and managed by the Placer County Fair Association (“PCFA”) under a contract between the PCFA and Placer County. PCFA is a non-profit and non-stock corporation originally incorporated in 1938, and is classified as a 501.c.3 by the State of California and as a 501.c.4 by the Federal government. PCFA’s contract with Placer County extends from year to year (January 1- December 31 of each year) and can be non-renewed by either party on July 15 2014. For the current year (2014), the non-renewal date has been extended to September 15th.

The Placer County Fair Association is comprised of community members from Placer County who elect the PCFA Board of Directors and provide volunteer resources to the Board of Directors and PCFA management related to conducting the annual Fair and other non-Fair events at the Fairgrounds. PCFA is open to membership by any Placer County resident over the age of eighteen. The actions of PCFA membership are intended to be consistent with its mission statement which states: “To provide a wholesome family fair incorporating educational and entertaining activities and to generate year round usage of our facilities. In accomplishing this mission we will continually improve our business processes and address the needs of the community and customers.”

In addition, the PCFA vision states: “The Placer County Fair Association will provide a financially sound, well managed Fair in a fully maintained Fairgrounds complex with interim programs designed to serve Placer County and area residents. The Fair programs will support agricultural focused education programs – linked to local schools, agricultural and children’s programs. The Fair Association will encourage an atmosphere of community involvement through service and participation with quality local and regional entertainment.”

PCFA is governed by a Board of Directors that consists of nine members elected by the Association membership. PCFA Board members serve three-year terms. PCFA is supported by a full-time staff that includes one Chief Executive Officer, two administrative staff positions and two maintenance staff positions. The annual personnel costs associated with these positions is approximately \$400,000 for 2013 including salary, benefits, insurance, etc. costs. The annual administration, maintenance and general operating budget for the Fairgrounds for 2013 was approximately \$660,000 – with the total annual operating expenses being approximately \$1.4 million.



Governance and Operating Structure Alternatives

For purposes of this Fairgrounds Assessment we identified some fairground governance and operating structures used by other county fairs on county-owned land in California – including the relationship with the respective county government. The reason for identifying such structures is to provide information that could help Placer County and Placer County Fair Association determine if the

existing Placer County Fairgrounds governance and organizational structure is the most effective and efficient or whether there might be another more effective and efficient approach to governing and managing the County-owned asset including conducting the Annual Fair, and operating non-Fair interim events and the Speedway.

Governance Structures

As indicated above the Placer County Fair Association Board of Directors is selected (elected) by the Placer County Fair Association membership. Other examples of this governance structure are the Salinas Valley Fair in King City, California and El Dorado County Fairgrounds in Placerville, California. The Salinas Valley Fair Inc. (“SVFI”) is a non-profit corporation with its 19-member Board of Directors elected by the SVFI membership. Likewise the Board of Directors of the El Dorado County Fair Association (“EDCFA”), a 501.c.3 non-profit organization, elected by the EDCFA membership.

We researched other county fairs on county-owned land in California - including the Alameda County Fairgrounds, Solano County Fairgrounds, Napa County Fairgrounds, El Dorado County Fairgrounds and Santa Clara County Fairgrounds – and in doing so identified some examples of other governance structures. These particular fairgrounds were researched because they are just a few of the County Fairs in California that are not on State of California-owned land and operated by a District Agricultural Association (“DAA”).

Selection of Association Board of Directors by County Board of Supervisors

Under this example, all of the fair association’s Board of Directors are appointed by the County Board of Supervisor members instead of being elected by the fair association membership. One example is Solano County Fairgrounds which has a 15-member Fair Association Board of Directors. The Fair Association Board of Directors are appointed by the Solano County Board of Supervisors with each of the five County Board of Supervisors appointing three Board members – thereby creating a 15-member Board of Directors. Another example is the Santa Clara County Fairgrounds which is managed by the Fair Management Corporation (“FMC”), a non-profit, public benefit corporation. The FMC Board of Directors is composed of five members – one appointed by each of the five Santa Clara County Board of Supervisors.

Selection of Association Board of Directors by Combination of Board of Supervisors and Election by Membership

Under this example the fair association’s Board of Directors are appointed in part by the County Board of Supervisors and in part elected by the membership of the Association. One example is the Alameda County Fairgrounds which has a 26-member Fair Association Board of Directors. The Alameda County Board of Supervisors appoints fifteen of the directors (three appointed by each

Board of Supervisor member), and eleven of the Board members are elected by the Fair Association membership. Another example is the Napa County Fairgrounds which is operated by the Napa County Fair Association. Its Board of Directors is comprised of up to 15-members, selected through a combination of appointment by the County Board of Supervisors and election by the Association membership.

Operating Structures

In researching the other county fairs in California on County-owned land as described above, we found that in all cases the subject fairgrounds were being managed and operated by a non-profit organization or corporation under contracts with the respective County. Table V-8 below presents a summary of the researched fairgrounds and the corresponding operating entity by name and type.

Table V-9: Summary of Fairground Operating Structures		
Fairground	Operating Entity	Type of Entity
Placer County Fairgrounds	Placer County Fair Association	501. c.3 State/ 501.c.4 Fed.
Alameda County Fairgrounds	Alameda County Fair Association	501.c.3 non-profit
El Dorado County Fairgrounds	El Dorado County Fair Association	501.c.3 non-profit
Napa County Fairgrounds	Napa County Fair Association	501.c.5 non-profit
Salinas Valley Fairgrounds	Salinas Valley Fair, Inc.	501 c.3 non-profit
Santa Clara County Fairgrounds	Santa Clara County Fair Management Corporation	Non-profit Corporation
Solano County Fairgrounds	Solano County Fair Association	501.c.3 non-profit
Source: RCH Group		

In the cases cited above the operating entities are third-party entities responsible for the management and operation of the respective fairgrounds - including the annual fairs and non-fair interim events – under operating contracts with the respective counties. In some cases the respective county has direct participation in the operation of the fairgrounds through its appointment of some or all of the Board of Director members of the operating entity, in other cases the county only has an indirect participation through its contractual arrangements with the third-party operating entity.

The means of selecting the third-party operating entity vary among the researched counties. In most cases the operating entity (non-profit organization or corporation) evolved from an interested group of county residents creating the impetus for establishing a formalized organization to operate the annual fair and manage the fairgrounds, resulting in a long standing ongoing contractual relationship between such entities and the respective county.

Considerations Related to Existing Governance and Organizational Structure of the Placer County Fairgrounds

As the County proceeds with plans for the immediate, near-term, and long-term future of the existing Fairgrounds one critical area of consideration is the existing governance and organizational structure. The goal of this consideration would be to identify and implement a structure which would be the most effective and efficient approach in terms of governing and managing the County-owned asset (including conducting the Annual Fair, and operating non-Fair interim events and the Speedway), and providing the desired level of accountability to the County.

Governance

Two alternative governance structures to the existing structure should be considered by the County. Either of these alternative approaches could provide Placer County with more direct control over the ongoing stewardship, management, and operation of this County-owned asset and could provide for more direct accountability of the management/operating entity to Placer County.

The first alternative could be accomplished by having the Board of Supervisors make direct appointments to the governing body of the management/operating entity.

Under the second alternative, the County could establish a new oversight/advisory body - the Fairgrounds Revitalization Committee (“FRC”) comprised of appointees of the Board of Supervisors, many of whom we presume would currently be serving on the existing Placer County Fair Association Board of Directors. For example, this new advisory body could include 5 appointees by the County Board of Supervisors, and 6 at-large appointees.

Under either alternative the existing PCFA should be reorganized as a non-profit organization (e.g. 501.c.3 organization), in order to develop and implement a fundraising campaign to raise private financing and assist in the implementation of this revitalization effort and long-term vision for the Fairgrounds.

Operating Structure

Another option to consider for future operation of the Fairgrounds, would be to solicit proposals from third-party entities to manage and operate the Fairgrounds through a competitive proposal process. The intent of this approach would be to contract with an experienced entity that could provide the County with more control over the ongoing management and operation of the County-owned asset, and make the operating entity be more directly financially and operationally accountable to the County. This approach would put the County in the direct role of managing a contract for operations of a County-owned asset, which is typical of a county’s role of management of third-party operation contracts for various county functions.

A third-party entity would have responsibility for overall management and operation of the Fairgrounds including operating the Annual Fair, non-Fair interim events, and the All American Speedway either directly and / or through specific promoters. It would also be expected that the third-party operating entity would provide a certain degree of private financing to fund various activities related to physical improvements to the Fairgrounds, programming, marketing, branding, etc. – all intended to effectively carry out the management and operation of the Fairgrounds. The extent of private financing that the County expect a private third-party entity to provide would be in direct relation to the proposed business plan for the Fairgrounds, the length of the management and operation agreement with the County (e.g., five to 10 years), and the ability of the third-party entity to amortize and obtain a return on its investment over the term of the County agreement.

The selection of a third-party operating entity could be accomplished through a formal Request for Proposals (RFP) process by which prospective public, private non-profit or private for-profit entities could be considered and selected by the County. Such a selection could be based on established criteria related to fairgrounds, event, and entertainment related operation experience; operation, management, and financial capacity; proposed business plan approach; and proposed business arrangement with the County; etc. The FRC would be consulted throughout the RFP process and the PCFA would operate as an advisor, booster, and fundraiser if another entity is selected as operator for the Fairgrounds.

Implementation Actions and Timing

Some of the steps involved in implementing the governance and/or operating structure alternatives by the County as described above would include potential action items which could be conducted simultaneously in order to reduce the overall time frame for implementing the potential new governance and operating structure. As part of the process, the existing County agreement with the Placer County Fair Association could remain in place for a stipulated reduced period sufficient to cover the time necessary to carry out the action items listed below:

1. Establish a new over-sight/advisory body for Placer County Fairgrounds that is comprised by appointees by the County Board of Supervisors (e.g. five to 10 members) and representatives of the existing Placer County Fair Association Board of Directors (e.g. three to five members);
2. Establish the existing Placer County Fair Association as a non-profit organization e.g. 501c.3 organization;
3. Establish and implement a Request for Proposal (RFP) process that results in the selection of a third-party entity to manage and operate the Placer County Fairgrounds by the newly selected oversight / advisory body and County Board of Supervisors; and

4. Negotiate, approve, and execute a contract between the County and selected third-party entity based on the proposal tentatively selected through the RFP process for a stipulated near-term period (e.g. five to 10 years).

The potential timing to complete the action items described would likely be in the range of 180 to 270 days, as indicated in Table V-9:

Table V-10: Potential Timing to Implement Alternative Governance and Operating Structures		
<u>Item No.</u>	<u>Action Item</u>	<u>Range of Timing</u>
Item 1	Establish New Oversight / Advisory Body	30 to 45 days
Item 2	Establish Fair Association Board as Non-Profit	60 to 90 days
Item 3	Implement RFP Process	60 to 75 days
Item 4	Negotiate / Approve Contract with Selected Entity	45 to 60 days
Source: RCH Group.		

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CHAPTER VI: PRELIMINARY DEVELOPMENT PROGRAM FOR FUTURE FAIRGROUNDS RELOCATION

One element of the Fairgrounds Assessment process is to determine what elements are critical to the success of a prototypical fairgrounds or community event center, how those elements interrelate, and how should they perform financially.

During the stakeholder interviews conducted by the Consulting Team, interviewees shared their perceived facility needs relative to what they saw as voids in the market area. Not surprisingly, facilities mentioned were frequently associated with the primary vocation or interest of that person being interviewed. This, however, provides the County with a wish list that can be used as a framework from which to better determine those land uses and activities which could be included or associated with a new fairgrounds or regional event center. The least intensive interaction between the County and a vendor or operator would involve a pure sponsorship where naming and advertising rights are granted in exchange for a fee. Another level of involvement would likely be the County entering into a public-private partnership with either a promoter, developer, operator, non-profit, or some other entity involved in the particular activity, event, or product.

The general facility needs expressed by the interviewees included:

- A 50,000 square-foot multi-purpose building on flat land with a certified kitchen (\pm 2,000 sf);
- A large exhibition hall at 25,000 square-foot minimum;
- Improved site visibility, better access, and shade. Also, a non-profit requested that the same space needs to be available every weekend for consistency and client recognition, and expressed a desire for a certified kitchen;
- FAA and 4H programs expressed a need for a show ring or an outdoor arena. They also have a need for animal stalls which can either be the traditional animal steel structures or a multi-use building (there may be an opportunity to partner with the Lincoln Rodeo);
- Potential year round vendors who expressed a willingness to invest capital in their facilities need to have a longer lease term (7-10 years);
- The arts community would like to have access to a Fairgrounds with an intimate setting with community gardens, culinary institute, regional museum, theatre, and a skate park;
- More than one city expressed a desire for an agricultural showcase; and

- Other groups invested in promoting local tourism and economic development touted the need for large flexible buildings (50,000 – 100,000 square feet) with 40 foot ceilings, providing an opportunity to host indoor sporting tournaments such as volleyball and cheer.

In addition to the above, a number of uses could be accommodated if sufficient market demand was found to exist.

The following is a synopsis of potential large-scale users which a relocated and improved events center might be able to either attract as a potential partner, or simply share facility use as a separate yet affiliated entity. This information is based upon existing available data and is not meant to take the place of an independent market study that would need to be undertaken as a part of due diligence on the part of either the County or potential developers, operators, or users.

Sports

Revenue producing sports parks typically involve active play fields (soccer, rugby, softball, lacrosse, volleyball, etc.), with limited support facilities such as restrooms, picnic areas, parking and a small multi-use building. By themselves, sports parks are not a great source of revenue and have high initial capital costs. Once built however, they can become a revenue producer as part of a tournament circuit operated by third party non-profits, clubs, associations or promoters. Tournaments also provide spin off revenue to local hotels, retail and restaurant establishments as multi-day stays are typically required by both participants and spectators.

Placer Valley Tourism (PVT) commissioned a feasibility study in 2010 looking at the potential of West Placer County to absorb a new sports complex. The study reviewed market conditions, demographics, potential users, competitive facilities, and other factors which would help determine the viability of such a venture in the region.

The study concluded that West Placer County is a prime contender for the development of a true regional sports destination facility designed, with both participants and spectators alike in terms of both the quality of the fields as well as visitor-serving amenities. Following the recommendations of the study, PVT is currently pursuing the development of a multi-field sports complex on a site in the West Roseville with an estimated construction cost of approximately \$30 million. This proposed facility primarily involves the development and operation of field sports such as soccer and rugby, with support uses.

In addition to demand for soccer fields, local industry insiders identified an unmet demand for an 8 to 12 field softball complex, which is not an element included as part of current PVT plans. A prototypical program for such a facility in West Placer could involve 8 to 10 softball fields supplemented with 4 to 5 natural grass rectangles, 4 to 5 synthetic rectangles, a 118,000 square-foot indoor field house, a 7,500 square-foot clubhouse, and parking with 1,250 to 1,500 spaces.

Development and construction costs for such a sports complex could range from \$15 to \$20 million, with the indoor field house costing an additional \$25 to \$30 million. With the clubhouse, this would total approximately \$50 million. Based upon comparable facilities built elsewhere, the estimated acreage requirements for such a facility would range from a minimum of 100 acres to approximately 125 acres.

Financing for such a facility could (and should) include the participation of non-profits, foundations, state grants, etc., and efforts should be made to secure corporate sponsorships by offering naming rights. These facilities will have significant initial capitalization requirements and do not typically make money for quite some time, if ever. However, PVT has a proprietary financial model they have used for their proposed facilities, which they state creates a revenue base sufficient to keep up with operational and maintenance costs. There is typically a 5 to 7 year participation stabilization process associated with the opening of a sports complex facility, wherein subsidies are provided to support the operator during this initial period.

Equestrian

Western style equestrian facilities are commonly associated with Event Centers and Fairgrounds. Typical facilities include a main rodeo ring (120' by 300') with associated warm-up rings (120' by 200'), permanent seating, horse barns, cattle pens, wash racks, and fenced pasture areas, as well as concession facilities, restrooms, and ticket booths. Permanent rodeo facilities can also host a number of other events such as mud-pulls, BMX, music concerts, and formal events such as high-school graduations. As a side note, with the continued build-out of Lincoln, there may be an opportunity to co-locate with their existing rodeo grounds use at the new Event Center.

Costs associated with such facilities vary considerably depending upon the type of competitive of events the facilities intends to host. On the other end of the spectrum are multiple venue facilities such as WestWorld in Scottsdale, which includes a covered Equidome with 3,300 seats, a 120,000 square foot multi-use tent, a 120,000 square foot climate-controlled space, a 10-acre open turf area, 9 horse arenas, a catering facility, and more than 400 RV spaces. Annual major events hosted at WestWorld include the Scottsdale Arabian Horse Show, Barrett-Jackson Classic Car Auction, and the Sun Country Quarter Horse and Reining Circuit.

Locally in the Sacramento region, there are a variety of open-air arenas capable of holding small equestrian events; most of which are privately owned and operated. The largest facility, located in Rancho Murrieta, has multiple indoor and outdoor arenas, stables for boarding, RV hook-ups, dry camp ground areas, concessions, office, convenience facilities, and parking. It is the largest and most successful equestrian facility in the region and is not likely to be duplicated elsewhere within the same market area.

The proposed Fairgrounds prototype offers expansion space for limited equestrian events and activities in the Livestock Area of the idealized prototypical development plan (Figure VI-1).

Extreme Sports

Extreme Sports facilities include activities such as paintball, BMX, skateboards, and disc golf, among others. Of these, our initial research indicates that paintball represents the most likely candidate for inclusion given the expressed needs of one promoter interviewed as part of this process. They would require at least 5 acres, but that area could easily double or triple depending upon their success in the market and the lease terms.

It appears that Placer County should be a good market for these type of facilities, and operators are typically willing to invest the necessary capital required to create a highly desirable activity. In order to support their capital investment, leases with a duration of seven to 10 years are the expectation, with lease payments for a five-acre site at approximately \$3,500 to \$4,000 per month. The CPX paintball facility built in Joliet, Illinois provides a good example of what these parks can offer, and how they look and function.

Entertainment

Entertainment venues are generally an integral component of Event Center and Fairgrounds programming. Thunder Valley is the closest competitor, offering a variety of musical acts set up outdoors in one of the casino parking lots. This facility has capacity for 5,000, offers good acoustics, well-placed seating, and ample free parking during a season that stretches from May through October. If a new Event Center were to be located nearby, there may be an opportunity to offer a new permanent facility, either sponsored by, or in participating lease arrangement with the current operators of Thunder Valley.

Other than Thunder Valley, other outdoor facilities in the region available for performing acts include the Sleep Train Amphitheater (17,000 seats), Cal Expo (3,500 to 5,000 seats), and a number of smaller venues set up in hotel courtyards and/or public plazas and local parks. Harvey's Tahoe also offers an outdoor concert series which would also compete for a portion of the local market.

Notable regional indoor entertainment (performing arts) venues range from the Mondavi Center in Davis, with its 1,800-seat main auditorium and 250-seat theater. This facility was built in 2002 at a cost of \$57 million, most of which was funded with a capital campaign.

The newest addition to the entertainment mix in the area is the Harris Center at Folsom Lake College in Folsom. This complex includes four performing arts spaces, an art gallery and a recording studio. Their performing arts platforms include Stage One (850 seats), Stage Two (200 seats), and Stage Three (100 seats), as well as a "black box" space for rehearsals, classes, and other more informal uses. The

Harris Center is run by a non-profit, has the strong educational tie to the college, and was built in 2011 at a cost of approximately \$43 million.

In addition to the above, the Sacramento region offers other indoor performing arts venues on a larger scale, such as the Memorial Auditorium with 3,800 seats and the Sacramento Community Center Theatre with 2,400 seats, as well as on a smaller scale, within a complex of museums, theaters, and clubs.

Given the success of both Thunder Valley and The Harris Center, there appears to be a market for a venue falling somewhat between the two, with a seating capacity in the range of 2,500 to 3,000. However, developing such a facility would involve the participation of a third-party developer/promoter who could identify specific facility and programmatic needs and financial/operational requirements, as well as capital. And most performing arts centers typically require a subsidy to make ends meet in the early years, if not for indefinite periods, as income generally meets only 40 to 60 percent of the annual budget. Therefore it might make sense to concentrate on enhancing the existing Fairgrounds to successfully create the support and demand for these types of uses in the future.

Flex Space/Multi-Use Open Space

Another approach to the future demand for an entertainment venue, as well as many other uses, is to use flex-space, either at the current Fairgrounds, or in a future Event Center located elsewhere in Placer County. Flex-Space can take on many forms and in a future location could be comprised of industrial building shells with capability to house such activities as a variety of the arts, where the flex space could be temporarily converted into a performing arts venue using movable stages, portable sound systems and seating, etc. This flex-space could be either an indoor or outdoor area (or a combination thereof, programmed and modified as needed to accommodate specific events. Additionally, culinary pursuits, locally-based product manufacturing (e.g., beer, wine, distillery, foods, soap, etc.), education or demonstrations, eateries, among others.

All of these factors come into play in the development of a core area prototype where parking, gates, concessions, and convenience facilities are planned and placed to provide the maximum amount of flexibility and connectivity. An excellent example of this type of facility, which is a relatively new concept, is the 15-acre Barlow in Sebastopol, California.

For the most part, The Barlow is tenant driven. The actual physical framework is quite elegant in its simplistic approach using relatively inexpensive industrial shells with convenient parking, well-located public open space areas, and consistent signage. The current tenant mix includes an eclectic group of retail and manufacturing concerns, attracted in large part by the need for buildings with a 2:1 ratio of industrial/manufacturing to office/retail. For instance, one Barlow building contains a retail establishment which also sells products from a wholesale production located in the rear of the

building. There is also an educational component to this arrangement, where classes and demonstrations were provided to groups interested in a specific activity; which in one instance was the making of hand-made soaps. The Barlow website describes their flex concept as something that *“brings together the very best wine makers, food producers and artisans, creating a space that offers a direct connection between the consumer and the makers of the local products they love. It's a place for the community to conduct business, share food and enjoy art, wine and time together.”*

These hybrid Flex-Space types of uses, and the facilities required by a renewed Fairgrounds or event center, could work very well together given both types of uses inherent need for flexibility. At this initial stage of analysis it appears there could be significant potential demand for this type of use in Placer County. The actual market depth and likely absorption rate would need to be addressed as part of a more in-depth feasibility analysis, taking into account the specific needs and operational requirements associated with whatever configuration a new regional event center might dictate.

The prototype has taken into account this need for flexibility in the multi-use open space or “Grove Area” of the plan. Under this scenario, the Grove would be the primary platform or stage, with an ability to spill onto the larger adjacent plaza area as needed. Furthermore, the prototype provides for multiple small venues to be located throughout the grounds, maximizing use and minimizing interference between each of the performing acts.

RV Park

RV parks can be an integral component of many fairgrounds and event centers.. During events, they can become a more affordable alternative to staying in local hotels, and properly planned and managed, they can become a year-round source of revenue.

KOA, often considered the benchmark of RV camps, has only two locations in the region – one in West Sacramento of Highway 80, and the other in Shingle Springs off Highway 50. KOA typically offers space for RVs and tent camping, includes user amenities such as recreational facilities, restrooms, showers, laundry (and today offers wi-fi), and usually offers a convenience store.

Within Placer County the only facilities listed occur at the current Fairgrounds (20 sites), in Loomis (79 sites), Dutch Flat (62 sites) and Auburn (65 sites off KOA Road but not marketed as a KOA facility, near Hwy. 49 and Bell Road). The Headquarters House in Auburn proposed a RV park with 51 spaces, a caretaker's dwelling, a convenience store, bathrooms, laundry, and other associated facilities – current status unknown.

RV parks are often affiliated with fairgrounds and events centers both as a source of revenue and a convenience for users of the facility. There appears to be a strong potential market for the development of a sizable RV camp and park, subject to further market and operations review. Typical construction costs are roughly \$7,000 to \$10,000 per RV site, plus amenities.

Site Selection Criteria

A new site for a future potential regional event center should include the following characteristics:

Size: The basic footprint only requires a minimum of 20 to 25 acres but significant expansion opportunities of at least an additional 100 acres should be included. Initial expansion opportunities can and should be identified early in the process in order to have the flexibility to accommodate the ultimate overall programming, but sufficient land needs to be available for future expansion based upon additional market research and public-private outreach.

Access: Good freeway access is essential. An inter-connected arterial system around the property is also a desirable feature given the need for multiple points of ingress and egress.

Visibility: Direct visibility from a freeway is desirable but not an absolute necessity. What is critical is the end user's experience and view in approaching the facility as just prior to their arrival. Anticipation is an important component of the end user experience, beginning with the marketing program and ending with their arrival and entry into the event location. Controlling this element of the user experience can be as important as their actual event experience, as it can either contribute to or detract from their perception of the venue or event. Disney, in their purchase of lands for the new facility in Florida, made certain they bought sufficient property so that they could control the user-experience from the freeway off-ramp to the hotel and to the theme park. This was in response to the problems they experienced with their site in Anaheim. Site selection for a new Fairgrounds, if the County decides to pursue this option, needs to consider this lesson and make certain that sufficient land is available in order to control the arrival experience, as well as have the ability to expand the facility as needed.

In addition to the importance of signage and other marketing, on-site iconic physical elements such as towers or other significant architectural structures are important. These can be viewed from some distance and will help locate the facility, as well as create the facility's identity, both for viewers off-site as well as users on-site.

Adjacent Land Uses: Adjacent land uses should be compatible with not only the proposed uses for the Event Center site, but for the additional uses which are likely be proposed as a result of more in depth market research and demographic changes that are likely to occur over the long term use of the site. Residential is considered the least compatible land use, whereas localized retail, entertainment, and hospitality are the most compatible given the potential synergies between the uses. Industrial or office uses are neither positive nor negative, with the only contributing factor possibly being the availability of weekend parking for Fairgrounds events.

Taking into consideration the programs and facilities associated with the existing Placer County Fairgrounds and Event Center as well as preliminary market findings which indicate likely

opportunities to be captured, the following program provides the requisite elements for what would be considered “baseline” facilities for a prototype new Community Event Center::

Exhibition Building A¹¹

- ± 50,000 - 60,000 sf
- Open steel truss ceiling -- ± 30'-40' ceiling height minimum
- Clerestory windows
- Concrete floor
- Roll up doors for easy load-in access and indoor - outdoor capabilities
- Restroom accessibility from indoor or outdoor
- Elevated announcers stand
- Shared certified kitchen for event catering and concessions (1,500-2,000 sf)
- Attached 3,000-5,000 sf banquet room
- Indoor – outdoor opportunities

Livestock Ranch Center Building B¹²

- ± 50,000 - 60,000 sf
- Open steel truss ceiling -- ± 30'-40' ceiling heights
- Clerestory windows
- Concrete floor
- Roll up doors for easy load-in access and indoor - outdoor capabilities
- Restroom accessibility from indoor or outdoor
- Elevated announcers stand
- Flexible interior layouts (stalls)
- Water hook ups

Animal Show Ring

- Fits within flex space
- ± 6,500 sf
- Steel frame structure
- Bleacher seating

¹¹ The large exhibition building is intended to replace the smaller halls and have the capability to accommodate future growth of events at a fairgrounds. The square footage of the building is based on findings from interview and outreach.

¹² The livestock ranch center is intended to provide state of the art facilities to the agrarian community and showcase all 4H programs in the area.

Flex Space/Multi-Use Open Space¹³

- 6-8 acres
- Both hardscape and softscape
- Flexible stage and seating placement

Administration Building

- ± 1 acre
- ± 3,000 - 4,000 sf structure
- Offices / meeting rooms
- Reserved parking

Maintenance Area

- ± 2 acres
- ± 5,000 sf total building area

Parking¹⁴

- Daily Use: 4 acres – (500 stalls full improvements)
- 10 acres – 1,000 stalls (limited improvements)

The estimated costs for a prototypical layout incorporating the abovementioned program is estimated to total \$41.3 million for the buildings and site work, and \$1.9 million for the pavilion and riding ring, for a total estimated cost of \$43.3 million as detailed in Appendix F. The layout is illustrated in Figure VI-1, and the key components of this prototype include:

- **A common core area consisting of thoughtfully sited buildings, surrounded by multi-use open space.** Building placement in connection with the multi-use open space is intended to provide for a variety of functionally useful spaces for a broad range of users or user-groups, either separately or concurrently, without diminishing the overall experience of any group. For instance, the space in front of the Exhibition Building A could be used by one group, the space in back of Building A could be used concurrently by another, and the space facing the plaza off the Livestock Building B could be used by yet another. In addition, the “Grove” could be used by an entertainment venue for other users. The overriding concept is to maintain the ability to facilitate different concurrent activities at various locations without one activity or group interfering with the experience of the other. Separate parking and ticketing opportunities should also be a part of this design and operational infrastructure. This flexibility is also critical

¹³ The flex space is intended to be a multi-use space that can be used for a variety of different purposes, including a main stage.

¹⁴ Fully improved Daily Use parking lots are hard surfaced, landscaped, and includes lighting and area intended for daily use. Limited improved lots are graded surfaces with temporary striping and other temporary improvements required as needed.

during the annual Fair when each of these spaces can be programmed with anchor entertainment keeping the experience fluid and the end-users entertained;

- **A variety of parking areas planned in conjunction with adjacent activity areas.** Different parking areas require different levels of improvements. For instance, “Daily Use” facilities need to be fully improved (paving, shade trees, and lights) while interim parking lots can be semi-paved or use gravel rather than more expensive physical improvements. In the prototype, Lots A and B are shown as fully improved, with Lot D is minimally improved. Lot C is illustrated as semi-improved (paved with perimeter landscaping) to allow for such interim uses as a carnival, temporary stage, traveling show (e.g. Circus Vargas, Cirque du Soleil, etc.), or other uses where the proximity to other Fairgrounds facilities is important;
- **A clearly defined entry.** As illustrated, the prototype provides an enhanced access road with a landscape median and thematic plantings. Drop-off and return lanes are provided in front of the facility to accommodate both flow and the user-experience. A tower or other iconic architectural feature helps not only to define this area as the entry but can also be used as a visual landmark near which users can meet;
- **Opportunities for future expansion.** The prototype has been designed to work off of a “hub” concept, where the core area allows the opportunity to have other uses “attach” to it, and still function either independently or as a unit, depending upon the use. Future expansion opportunities will typically be self-contained (e.g., include their respective parking and support uses) with access from the surrounding roadway network. As illustrated, the prototype provides for expansion opportunities on two sides of the core area, as well as providing a more distinct site opposite the facility across the entry boulevard;
- **A perimeter roadway network.** The prototype shows a limited roadway network primarily related to providing access to the main entry, and a perimeter roadway network would provide access to all of the expansion areas. In addition, an internal service road (not shown) would likely be required, with the location and design a function of the ultimate site configuration; and
- Although not shown, maintenance facilities would be required, and in this prototype, located on future expansion lands in the vicinity of the Grove.



Figure VI-1: Illustrative Prototype
Placer County Fairgrounds Assessment



As discussed above, the Prototype provides a physical representation of a development program sized to accommodate a new Placer County Fair and Events Center. As the Prototype only represents “core facilities”, the design has been developed to allow for the seamless attachment of a variety of compatible market-driven venues, events, and activities. The objective of this approach is to maximize the flexibility of the Event Center complex, while enabling each component to either function as a standalone unit, or in combination with other units. Figure VI-2 illustrates how these various components might be attached to the core. As illustrated, common areas such as parking or open space typically occur between uses with actual connections occurring at planned gates or other pedestrian control points.

Figure VI-3 illustrates how the “Plug and Play” concept has the ability to take on any number of forms and shapes, and provides examples of how different uses and their characteristics can easily be adapted to a variety of potential sites.

For instance in Figure VI-3, the Core Area has been modified slightly in response to adjacent non-core activities such as the Artisan District, Hotel and Sports Complex. Many of these non-core uses were identified by stakeholders as being important contributors to the overall concept of a multi-use event center complex intended to operate daily with potentially shared facilities/operations/maintenance. Such a facility would grow organically with contributions provided from a variety of governmental, private sector, non-profits and corporate sponsorships. Developing such a facility represents a new model where stakeholders have a larger responsibility for programming and facility development and as such, in the overall success of the project.

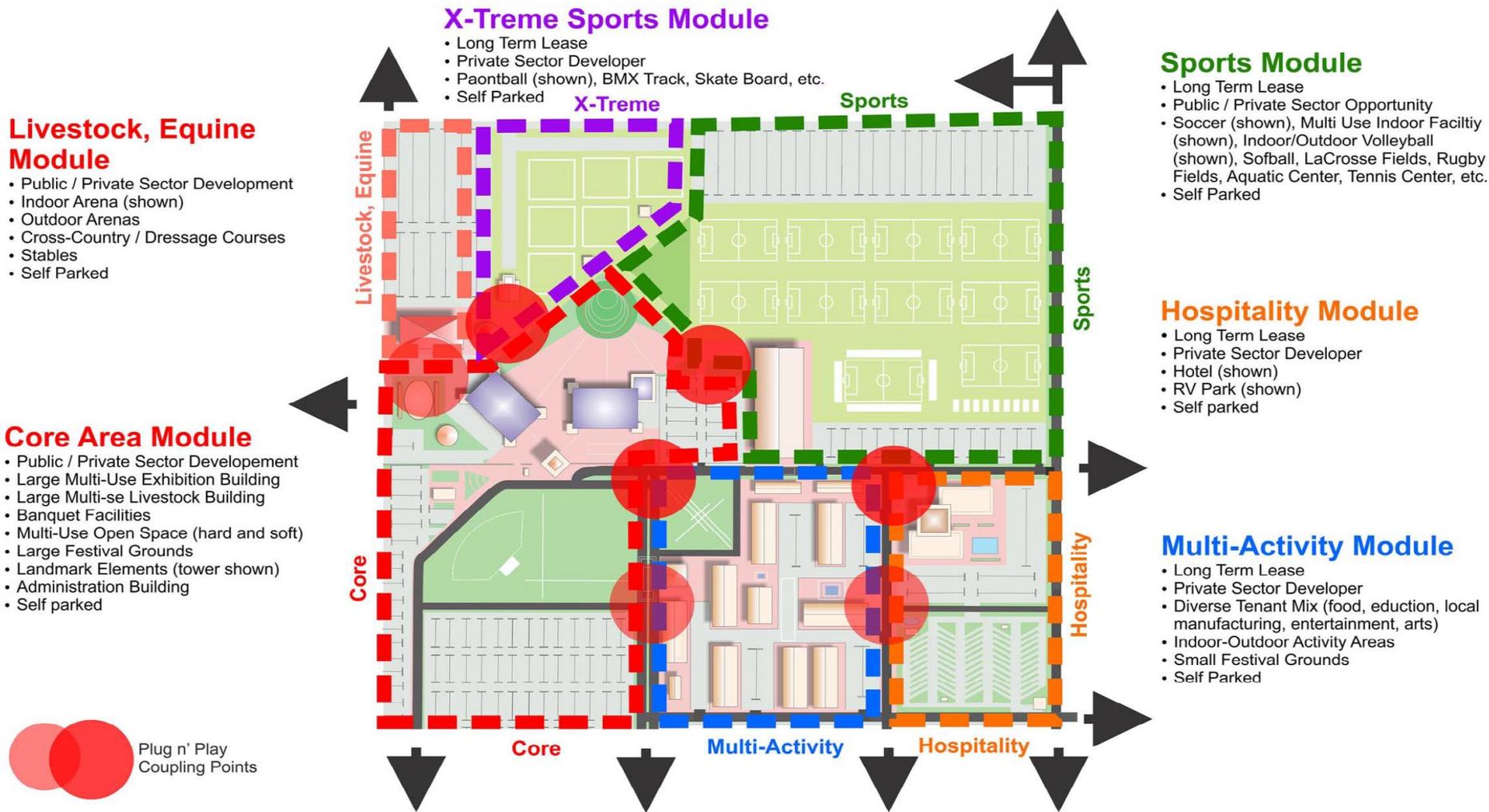


Figure VI-2: Plug n' Play Prototype Structure
Placer County Fairgrounds Assessment



Sports

- Operated and designed for tournament play
- Ten fields shown
- Includes shaded areas for spectators and picnicking
- Illustrates multi-use 100,000 sf building for indoor sports play (e.g. volleyball)
- Fields able to accommodate other sports such as rugby, lacrosse, field hockey, etc.
- Works in close association with hospitality and artisan districts
- Self Parked

X-Treme Sports

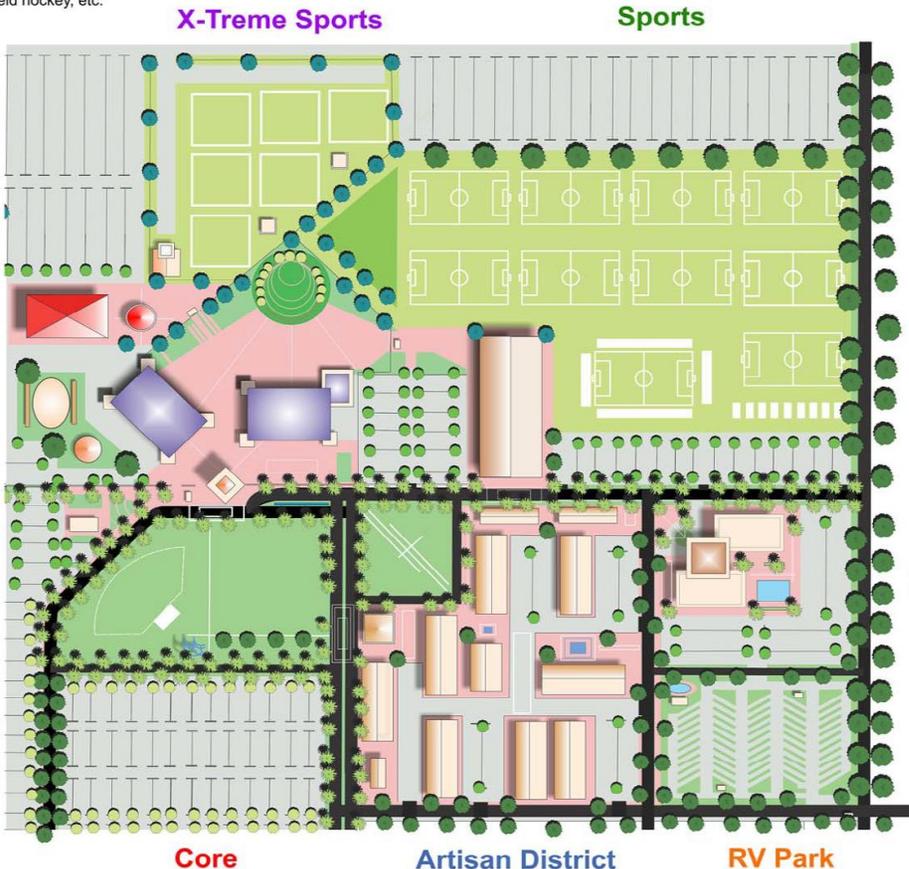
- Paintball facility shown as example
- Six fields illustrated
- Support facilities include space for operations, management and visitor convenience (food, beverage, restrooms)
- Self contained and parked
- Year-round use

Livestock, Equine

- Designed for expansion as necessary in response to market demand
- Possible uses include an indoor arena, outdoor arenas (show, competition and training), cross-country courses, stabling facilities etc.
- Core area of event center includes facilities for livestock show and auction
- Potential year round useage
- Self Parked

Core Area

- Core area modified to include a large "festival grounds" able to accommodate major outdoor events such as concerts and public gatherings
- Outer edges of core tweaked to allow for expansion and incorporation of other event and activity areas. Typically this uses without changing the integrity, design, character or use of the prototypical core area
- Core area designed to allow for connecting areas to be ticketed (gated) and parked separately
- Core area contains large multi-use buildings, banquet facilities, multi-use open space (hard and soft), landmark elements and administration.
- Self parked



Hotel

- Lodging support for Fair, special events, conventions, expositions, tournament sport play, etc.
- Restaurant / bar services
- Meeting space
- Self parked
- Year round use

Artisan District

- Multi-use activity "hub" containing warehouse type shells able to accommodate food / beverage establishments, specialized retail (artisan, local crafts), specialized manufacturing (distillery, beer, wine, etc.) and other compatible / unique to Placer County resource, educational, food and production concerns.
- Small "festival green" in association with adjacent hardcape areas provide platforms to specialized events, weekly activities (e.g farmers market), art shows, weekly concerts, etc.
- Pedestrian connectivity between hospitality uses and major components of the events center
- Year round use
- Self parked

Hotel

RV Park

- Visitor serving lodging support for Fair, special events, conventions, expositions, tournament sport play, etc.
- Probable third-party operator
- Visitor serving facilities such as meeting rooms, laundry room / showers, on-site recreation, etc.
- Similar in concept to full-service KOA
- Year round use



Figure VI-3: Plug and Play Prototype Illustrative Example
Placer County Fairgrounds Assessment



APPENDIX A: FAIR OBSERVATIONS 2013

This memorandum report describes the collective reflections and observations about the 2013 Annual Fair based on members of the consulting team of RCH Group, A. Plescia & Co., and Gruen Gruen + Associates (“consulting team”) attending the annual Placer County Fair (the “Fair”) during the late afternoon and early evening of Friday, June 21, 2013; the morning of Saturday, June 22, 2013; and the afternoon of Sunday June 23, 2013.

Overall

The Fair appeared to be staffed with friendly and courteous people, the buildings and grounds were clean, and felt very safe and secure, but appear old and are in moderate to poor condition. The admission pricing seemed reasonable (\$5 for adults, \$3 for juniors/seniors, children under the age of 5 free). Given the relatively small size of the Fair and make-up of exhibits and vendors and our experience, we suspect the duration of visitor stays at the annual Fair is relatively short.

Visitor Composition

Without the benefit of exit surveys or information on the geographic market area served, we would not be surprised if the majority of visitors to the Fair originate from locations not far from the site. The preponderance of Fair-goers during our daytime and early evening visits appeared to be families with small children or larger groups participating in the exhibitions. Based upon our informal observations, a few demographic groups within Placer County that appeared to be underrepresented with respect to Fair attendance included: (1) teenagers (i.e. the Saturday afternoon “mall crowd”); (2) younger 20-something adults without children; and (3) empty nester and elderly couples.

Seventy percent (70%) of households in Placer County do not include children under the age of 18 living at home.¹ Our experience attending the annual Fair suggests the Fair does not capture this demand segment. Older (age 45+) and more affluent households, with annual household incomes in excess of \$100,000, also represent more than 20 percent of Placer County’s household base. This is another market segment that the Fair does not appear to penetrate well.

¹ 2011 American Community Survey data.

Visitor Survey

Visitor surveys can be a useful tool to assist in identifying desired events, programs and activities by Fair attendees. The visitor survey conducted at the Fair this year appears to have been written to be an exit survey for Fair-goers but was treated as an entry survey. After initially entering the gates, event staff aggressively encouraged attendees to take the survey. Many of the questions, such as those regarding preferred or favorite activities/attractions, were intended to be answered after the Fair experience. The survey did not permit not answering questions and did not include not applicable or “don’t know” type answers. Therefore we would not be surprised if many of the surveys were not completed or false answers were given by visitors.



Carnival Midway

The survey should also be less focused on obtaining personal information, including names, telephone number and email information and more focused on obtaining information useful for programming and improving the Fair experience. Many people are also hesitant to give out personal phone numbers and emails. As such, requiring such personal information usually means a lower response rate and less reliable and thoughtful responses.

In general, the design of the survey needs to be substantially improved with proper training and supervision given to the individuals involved. The visitor survey should be conducted as an exit interview with an incentive (such as entry into a free give-away, discount coupons, etc.) provided to those visitors who complete the survey.

The Annual Fair Would Benefit From Better External Imagery and Internal Signage

A majority of Fair-goers' and potential visitors' first impression of the Fair comes from exposure of the grounds along Washington Boulevard. This frontage represents the Fairs "front door", and as such needs to be evocative of what the potential Fair-goer is likely to experience within the grounds.

Typically a roadway of this stature would house the main gate complex, have distinctive and informative signage, be attractively landscaped and offer interior views of the grounds. Some parking is also typically located near the entrance for the convenience of day-to-day administrative needs and smaller interim event usage. Parking is also psychologically important to show the day-to-day use of the site.

Most striking in the case of the Placer County Fair is that not only is the main gate set back from Washington Boulevard but has a limited use facility (racetrack) blocking the view of the grounds, leaving the impression that the main focus of the grounds is the racetrack.

The existing Fairground entry signage along Washington Boulevard is a rather small conventional sign that is dated in appearance and not able to provide current information about upcoming events. Most modern Fairs strive to have digital signage able to provide information about upcoming events, display community messages and provide a source of revenue for the Fair through advertisements. This is something that the Fair needs to look into given that some vendors provide the signs at no cost depending upon likely advertising revenues.

As mentioned the main gate to the Fair is roughly a quarter mile from Washington Boulevard, is accessed from All American City Boulevard and is associated with the new Administration Building. This gate has limited parking and is more symbolic than functional.

The real entry to the Fair is Gate B where fairgoers enter the grounds from the main parking lot. Another gate occurs off of Corporation Road for people that park north of the grounds, either on the road or in the adjacent light industrial park.

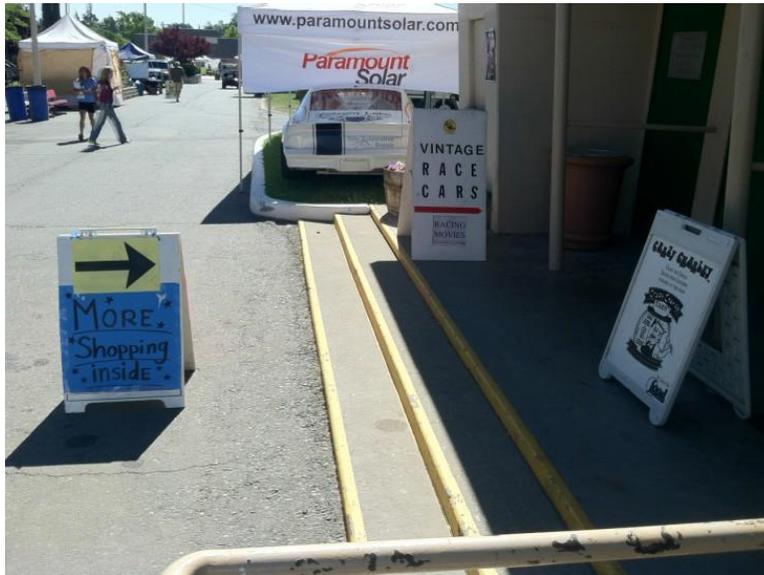
Wayfaring signage directing people to the Fair can be found along Oak Street in Downtown Roseville and from Highway 65.



Image of the Fair from Washington Boulevard

Once inside the Fair, the presence of signage was limited and inconsistent. As first time Fair visitors unfamiliar with the layout, we felt ourselves wandering about at first rather than seeking out particular attractions/exhibits. Maps of the Fair layout should be handed out at the ticket gate or a directory-type kiosk should be placed at the entrance with maps and other Fair related information. In some instances there appeared to be too much temporary signage that may be more confusing than helpful. Signage for facilities or exhibit halls, as opposed to vendors, should be made more distinct and consistent with a continuity of design, size and color to easily distinguish such signs as Fair signage. One way to meet this need would be to come up with a highly movable and thematic signage system unique to the Fair that can be readily adapted to changes in vendors and activities. One aspect of this system would be signs that could be placed in the community during key events such as the annual Fair.

During Fair and non-Fair event times, perhaps the internal street signs could also be converted to directional wayfaring to assist pedestrian rather than vehicle traffic



Examples of On-Site Signage

Parking and Ingress/Egress Could be Improved

Upon arriving at- and leaving- the Fairgrounds, our impression of the ingress/egress and parking arrangement was less than positive. As the Fair is well aware, the majority of parking is unpaved and unmarked. Not only does this hold the potential to deter visitors who may be concerned about gravel damaging their cars, it does not provide a positive image of the grounds as a recreational and entertainment venue on par with other alternatives available in the region.

The main parking lot sign from Washington Boulevard was well placed and easy to follow. Upon arriving at the main gate however, directions become less clear with Fairgoers having to drive past other apparent parking and drop-off opportunities. Upon arrival at the main lot, friendly attendants directed traffic to make the first left turn. Once inside however, the lack of attendants made it a free for all, with many people confused as to which direction to go. With the “main lot” apparently full, there was no indication that a spillover or lower lot could be found and used. Some people exited the lot prior to locating this lower lot and proceeded to park elsewhere on City streets.

At peak capacity, we also suspect the Fair would benefit from parking section markers to improve the ease of attendees locating the location of their parked vehicle, and improve getting in and out of the grounds. Exiting the parking lot to Junction Boulevard was particularly cumbersome, as visitors are required to meander down a narrow and unattractive access road. Given that entering and navigating the parking lot is the first impression of any visitor, providing a modern and efficient parking management system and configuration would seem to be a logical and important improvement.

Spatial and Aesthetic Observations

A consensus observation from the consulting team was that the footprint of the Fair was too large for the scale and scope of the event. Some of the exhibit areas were not filled to capacity (e.g. the animal displays in the National Guard Armory Building), there were gaps in activities and venues along the major pedestrian pathways connoting that either vendors did not show up or the grounds were not sold out.

If there are not enough exhibits to fill an exhibit space, then the Fair should consider using a smaller space or closing-off underutilized and/or empty sections of such exhibit areas during Fair time. The large amounts of vacant, unused space in exhibit areas made the exhibit space that was present less impressive and may discourage visitation.



Near Empty Exhibition Building

Unutilized dead space such as that depicted above detracts from the Fair-going experience. With concrete floors, lofty ceilings, and white walls, the Fair may want to consider closing off (with temporary dividing walls) sections of exhibit halls it does not need in order to create a cozier and more inviting and less desolate atmosphere.

In addition to potentially holding the Fair within a smaller footprint, the lack of attention to detail was evident in places around the grounds. One prime example involved the entry foyer into Jones Hall where the space had not been modified in any way to reflect that the Fair was in progress and that retail vendors were located within the building.

The livestock and animal exhibits, although tucked away at the northern end of the grounds, seemed to be well organized and actually could have been a highlight for people not typically attending these types of events. The judging Ring was particularly well situated to offer attendees the flavor of animal judging and the cadence of the auctioneer.

Although clean, the Fairgrounds overall also did not appear to be landscaped well. The Fair should draw upon its volunteer base to plant flowers or install other landscape improvements in areas currently comprised by dirt.³

The Fair Should Attempt to Limit the Number of Generic Attractions

The carnival rides and games did not appear to be well used, yet they occupy a considerable portion of the available site area of the Fairgrounds. In an urban area such as Sacramento, we suspect that generic carnival-type activities and rides are generally viewed as second rate to larger and permanent amusement options, including Golfland-Sun Splash Waterpark in Roseville, Raging Waters at Cal Expo, and Funderland in Sacramento. Although we recognize the tradition and history linking annual Fairs with carnival rides, the Fair should consider the revenue and attendance these attractions generate in light of the physical space and costs (if any) required to accommodate them.

The Fair included a variety of concessionaires and vendors, although few if any of them appeared to be truly unique to Placer County. It would be important to have concessionaires and vendors that are local to, and reflect the character of Placer County. For example, the food and beverage offerings should include local and regional Placer County-based restaurants.

A collective reaction of ours was limited food or beverage offerings, vendors or exhibits distinguished the experience and atmosphere from that of any other county Fair or kiddie land attraction.

It is important to co-locate and cluster food and beverage vendors within a visible and accessible central portion of the Fairgrounds. The current concentration of food and beverage vendors seemed somewhat isolated and tucked away in the corner of the site. We recognize there may be physical or utility constraints on the placement of these vendors/concessionaires, but the Fair appears to have a few large internal roadways (like the one shown below) that could be utilized to configure food and beverage vendors in a linear Main Street type setting. This may help to create a more lively and social ambience; particularly given eating, drinking and socializing is often a primary motivation of fair-goers.

³ The Santa Cruz County Fair for example has an “Annual Flower Planting Day” that occurs before the annual Fair and is completed by volunteers.



Food Court Near the Main Gate Complex



Major Pedestrian Pathway with Street Vendor Potential

Topics of Discussion

Based upon our initial kick-off meetings, the tour of the grounds, and attendance at the annual Fair, we believe the following questions, among others, need to be addressed in subsequent work efforts.

1. Should the Fair be a venue that facilitates the coalescence of community, recreation/leisure, entertainment, education and commerce in creating a place where residents, visitors and businesses can identify with and want to be part of?
2. Should community pride, collaboration and engagement be encouraged to create and operate a sustainable and economically viable Fair?
3. Should benefits be provided to institutions, community groups, and local / regional entrepreneurs which reciprocate with financial and other support for the Fair.

There is a perceived need for the Placer County Fair to continually balance its agricultural heritage with the contemporary recreation, leisure, and entertainment preferences of County residents and visitors. Ultimately, to maintain its relevancy, it must continue to foster “good will” by establishing/improving its presence as a unique and valuable community resource – a resource that offers experiences and activities not readily duplicated elsewhere in the market area and that appeal to a broad spectrum of households and businesses.

The operating implications and characteristics suggested by these questions include:

- Educating the community about both the historical and contemporary roles of Agriculture in the County (including exposure to locally grown or produced foods and beverages);
- Reflecting the County’s other contemporary industries;
- Building upon distinguishing authentic characteristics of the County, such as those related to its history, geography, outdoor / recreation activities, or indigenous industries;
- Aligning with the institutional objectives and missions of local school, student, business and community groups;

- Including a deeper and broader hierarchy of opportunities for active engagement or “hands on” entertainment (e.g. rehearsed acts, hay bailing contests, poetry slams, races of all sorts, etc.); and
- Focusing on attracting compatible year-round uses of the fairgrounds that will also stimulate Fair attendance. Potential examples include education groups, community organizations, and hobby and arts’ activities.

As part of community and political outreach, encourage local organizations to hold meetings at the Fair facilities and encourage them to participate in the Fair. Local organizations (and businesses) can be encouraged to utilize the Fair to promote their own causes and brands, while showcasing their commitment to the community. To increase the participation of young people, new exhibit categories, special competitions, or activities other than traditional agriculture and animal husbandry will need to be created and should reflect input from local schools, park districts, sports leagues or other youth-oriented groups.

The best place-based brand development requires many acts of small execution and attention to details that visitors appreciate and notice if the details are “off message”. This includes the aesthetic appearance and functionality of Fair facilities. Both basic public realm maintenance and a special environment (including attractive landscaping and architectural lighting) that delights are key details if the Fair brand promise is to be kept.

The annual BerryFest is one example of an existing non-Fair event that draws upon the region's agricultural heritage to create a unique cuisine-oriented experience.

Walnuts are another example of a locally-grown crop that could be integrated into themed food offerings.

Gold mining and the development of the Union Pacific railroad are the types of historically- distinguishing characteristics of Placer County that could be the focus of educational programs or exhibits.

Activities and exhibits could include gold panning demonstrations and replica model railroad exhibits of the County's rail network.

Placer County is the home of one of the county's oldest businesses, the Gladding McBean terra cotta clay manufacturing plant established in 1875. The Fair could include terra cotta displays, including photos or renderings of the buildings in which they were installed, and to the extent practical could even incorporate these

APPENDIX B: FINDINGS DRAWN FROM INTERVIEWS AND OUTREACH

This memorandum report presents the results of interviews conducted by the consulting team with identified stakeholders, representatives of cities and other local institutions, and interim event vendors.

SUMMARY OF STAKEHOLDER INTERVIEWS

The stakeholders interviewed were identified as persons or entities which either have a vested interest in the success of the Placer County Fairgrounds, or a persons or entities which have future potential interest in the Fairgrounds are as follows:

Category: Tourism and Economic Development

- Placer County Visitors Bureau
- Placer Valley Economic Development
- Placer County Economic Board
- Placer Valley Tourism

Category: The Arts

- Placer Arts
- Blue Line Arts

Category: Agriculture

- Placer High School Future Farmers of America (FFA)
- Placer GROWN

Category: Entertainment

- Paintball International
- Local Promoter of the Mandarin and Harvest Festival
- Placer Lake Tahoe Film Office

Category: Auto Racing

- Napa Auto Racing

The interviews with representatives of the stakeholders listed above were directed towards understanding their venue needs; attendance and frequency of events; the competitive advantages and disadvantages of the Placer County Fairgrounds as an event venue; competing locations; and anticipated event growth and possible expansion needs. The preliminary comments, findings and conclusions drawn from the stakeholder interviews are summarized below.

- Two of the stakeholders interviewed use the Placer County Fairgrounds for an event venue. The K&N Race Series (Napa Auto Racing) puts on one event a year at the Speedway, which is a well-attended two-day event. Placer High School Future Farmers of America (“FFA”) uses the livestock facilities on an interim basis throughout the year, sometimes lasting for several days, for a total of approximately five to 10 events per year.
- Only the K&N Race Series and FFA (two of the 12 interviewees) found the facilities at the Fairgrounds to be suitable for conducting events. The other stakeholders interviewed indicated that the buildings need to be upgraded, that the parking lot is in disrepair, and generally there is not enough quality exhibition space. The amount of existing useable exhibition space only allows for smaller festivals or events - and because the existing physical condition of these buildings there is only limited use of the space. In addition the stakeholders interviewed indicated that in their opinion there is not a large consolidated building space to host an indoor sports event or large exhibit, nor enough maintained open turf area to host a large outdoor sports event
- Some primary disadvantages cited by the stakeholder interviewees include the lack of visibility and accessibility into the Fairgrounds, the location of the Fairgrounds is not well known, and therefore it is not easy to locate the Fairgrounds site. Additionally there are no other visitor attractions near or around the Fairgrounds which would complement events held on the Fairgrounds, for example, there are not adequate hospitality/lodging properties in close proximity to the Fairgrounds.
- Other disadvantages cited by the stakeholder interviewees were the image of the Fairgrounds and the general physical condition of the site and buildings (including a lack of tree coverage) – which results in the Fairgrounds having a difficult time attracting non-Fair interim events, festivals, etc.. The stakeholders indicated that the Fairgrounds has a difficult time in marketing and promoting itself for non-Fair interim events in part due to the perspective that the Fairgrounds is perceived as a raceway first and a fairgrounds (event center) second. It appears that some of the activities (primarily weekend) of the All American Speedway affect the ability of the Fairgrounds to attract potential additional events on the Fairgrounds.
- Existing venues considered to be in competition with the Fairgrounds include various existing and planned venues include the City of Roseville, California Exposition and State Fair (Sacramento), and Thunder Valley Casino (Lincoln). The largest competitor appears to be Gold Country Fair (Nevada City).

SUMMARY OF CITY, NEIGHBORHOOD, AND INSTITUTIONAL INTERVIEWS

The list of representatives from nearby cities/institutions interviewed by the consulting team is provided below.

City of Auburn

- Bridget Powers, Mayor
- Richard Ramirez, Interim City Manager
- Carolyn Metzker, Auburn Chamber CEO
- Luke Parnell, Gold Country Fair Board Member

Town of Loomis

- Rick Angelocci, Town Manager
- Miguel Ucovich, Councilmember
- Jennie Knisley, Chamber Executive Director

City of Rocklin

- Rick Horst, City Manager
- Scott Yuill, Councilmember
- Robin Trimble, Chamber CEO

City of Roseville

- Wendy Gehrig, Roseville Chamber ED
- Chris Robles, Economic Development Director
- Rob Jensen, Assistant City Manager
- RCONA (Roseville Coalition of Neighborhood Associations) Executive Board

City of Lincoln

- Paul Joiner, Councilmember
- Spencer Short, Councilmember
- Bob Romness, Chamber CEO
- Jim Estep, City Manager

Education

- Renee Nash, Eureka Elementary Unified School District Board Member
- Paige Stauss, Roseville Joint Unified High School District Board Member
- Holly Tiche, Sacramento State University Foundation Trustee and Sierra College Foundation Board Member

The interviews with representatives of nearby cities and institutions were directed towards understanding community needs, the competitive advantages and disadvantages of the Placer County Fairgrounds as an event venue; competing locations; and anticipated event growth and possible expansion needs. The preliminary comments, findings and conclusions drawn from the interviews are summarized below.

- There was a general sense that that the Fairgrounds is not currently a large economic driver of the region, in part because it does not attract a lot of large events. In addition, interviewees indicated that the Fairgrounds' current market niche is smaller events of between 50 and 500 attendees.
- There is a lot of competition for the Fairgrounds from other mid-size venues, both public and private, in the Roseville, Placer County and greater Sacramento area. It appears that there is some interest of the interviewees to try and attract larger, regional events / activities such as the outdoorsman expo, car shows, business expos, etc. to Placer County. However such uses would likely require larger, high-quality indoor or shaded outdoor space.
- The primary disadvantages of the Fairgrounds cited by the interviewees included the current location of the Fairgrounds and the physical condition (and age) of buildings, facilities and site. These factors create a challenge to making the Fairgrounds a more successful destination venue.
- Another cited factor was the less than positive identity and image of the Fairgrounds. For example, the Fairgrounds was not considered for as a potential venue for Roseville 2014 due to that factor. One interviewee indicated the Fairgrounds is a nuisance to the surrounding neighborhoods due to the type and size of crowds that attend All American Speedway events.
- The existing Fairgrounds property might be put to a higher and better use if an alternative location / facility could be found for the Annual Fair and related non-Fair interim events. Some of the suggested uses included community gardens, indoor shooting range, waterslide park, recreational vehicle park, events center, or entertainment district. In addition interviewees indicated there should be more focus given to local growers and farmers, and that there is a potential to have an educational connection with agriculture by joint use of property with local agricultural educational programs.

FINDINGS DRAWN FROM INTERVIEWS WITH SAMPLE OF NON-FAIR INTERIM EVENT VENDORS

The interviews with representatives of interim "non-fair" events and activities were directed towards understanding their venue needs; attendance and frequency of events; the competitive advantages and disadvantages of the Placer County Fairgrounds as an event venue; competing locations; and

anticipated event growth and possible expansion needs. The preliminary comments, findings and conclusions drawn from the interviews are summarized below.

- Six of the seven interim vendors interviewed hold only one event per year at the Placer County Fairgrounds. The Kids Consignment Show is the only interim vendor to hold more than one event per year at the Fairgrounds - it holds two events at the Fairgrounds each year. Three of the seven vendors hold events of one day in duration, while two of the seven vendors hold events lasting two days. One vendor holds an event of five days, while one vendor (Manor Haunted House) rents a portion of the Fairgrounds for the month of October each year.
- The AKC Dog Show has been held at the Fairgrounds for approximately 25 years. However no other event has had a tenure of more than seven years.
- Interim rental fees per event range from approximately \$7,000 to \$23,000.
- Interim events appeal to a variety of demographic groups and serve both local and regional geographic market areas. Some events such as the AKC Dog Show, Gem Faire, and Vampire Ball appeal to older-age and higher-income demographic groups. Other interim events such as the Callison Manor Haunted House or Kids Consignment Show specifically target a younger, less affluent market.
- The results of the interviews suggest that few if any event venues comparable in size and price to the Fairgrounds exist locally within Roseville. Many of the vendors interviewed indicated that at one point they considered renting facilities at Cal Expo, a much larger, better located, better known and established venue. However none of these vendors indicated that they could not afford/justify the rents at Cal Expo given their event budget and attendance.
- The primary competitive advantages of the Fairgrounds as cited by the interviewed vendors included the comparatively affordable Fairground facility rental rates, the location of the Fairgrounds in a densely populated urban market area, and more than enough parking at the Fairgrounds to accommodate the needs of the visitors to the events of the vendors interviewed. In addition staff members are perceived as helpful and friendly.
- The primary disadvantage or constraint as cited by multiple interviewed vendors is the lack of visibility and access to a major road or freeway. To that end some events that need to draw attendees from beyond Roseville have to work hard to get people out there, partially because the location of the Fairgrounds is not well known. In part that is due to the Fairgrounds not having recognizable brand.

- Other disadvantages cited by the interviewed vendors include unreliable electric service; turnover of upper management; lack of equipment rentals; parking costs (for some events, which attract cost sensitive attendees); and facilities which are in need of improved maintenance/upkeep.
- The majority of the interviewed vendors indicated that attendance levels have declined over the past few years. Many attribute the patterns of declining attendance to the economic environment and decreasing participation rates in some activities (e.g. dog shows). One vendor, the Kids Consignment Show, whose attendees are price sensitive, attributed its attendance decline to the cost of parking at the Fairgrounds, which in the recent past has charged \$5 for daily parking at the event. (Note: Although none of the declines were characterized to be severe enough to cause the events to close in the near future, it will be important for the Fairgrounds to continually seek and attract interim non-fair events that appeal to modern preferences/tastes and benefit from growing rather than declining interest levels and participation rates).
- Only two interim events anticipate increased attendance or vendor participation in the foreseeable future. Neither, however, expects their growth to be substantial enough to warrant a large increase in the amount of space needed nor an increase in rental fees.

APPENDIX C: FAIR CASE STUDIES

This memorandum report presents results of research benchmarking the Placer County Fair to other comparably-sized fairgrounds in the region and to characterize the factors contributing to their operating performance. To obtain perspective on the physical characteristics and operating performance of the Placer County Fair, Gruen Gruen + Associates interviewed representatives of other fairgrounds located near the Placer County Fairgrounds and reviewed available secondary data. The case studies include a review of the following fairgrounds:

- Gold Country Fair in Auburn;
- Yolo County Fair in Woodland;
- Nevada County Fair in Grass Valley;
- Yuba-Sutter Fair in Yuba City; and
- El Dorado County Fair in Placerville.¹⁵

All of these fairgrounds are located within a 40-mile driving distance of the Placer County Fair and are classified similarly by the California State Division of Fairs and Expositions (all Class III-IV fairs).¹⁶ A summary of the synthesized results of the research, interviews and review of secondary data.

FINDINGS AND CONCLUSIONS DRAWN FROM CASE STUDY

- Estimated at 2,800 total cars, **the parking capacity of the Placer County Fairgrounds is comparatively high to other fairgrounds.** Only two local area fairgrounds (Nevada County and Yolo County) are reported to have larger parking capacities in terms of the number of spaces.
- **The Placer County Fairgrounds is located in a much more densely populated and affluent area** than many of the comparison fairgrounds. The number of people living within five miles of the Placer County Fairgrounds, for example, is estimated to be 2.5 to 8.5 times greater than applicable to other fairgrounds in the region. This factor suggests that the Placer County Fair has the potential to benefit from a much larger local market, though it naturally also faces greater competition with non-fair uses and activities in the Roseville, Placer County and greater Sacramento area.
- **Attendance at the Placer County Fairgrounds is comparatively very low.** The comparison fairgrounds all generated higher attendance in 2013, ranging from 25% higher at

¹⁵ Fair representative did not return our calls for an interview, though we include the El Dorado County Fair in the case study review based upon secondary information gathered.

¹⁶ The classifications are based upon attendance and operating performance.

the Gold County Fair to 380% higher at the Yolo County Fair. Relative to the Placer County population base, the annual Placer County Fair attracted only 7.8 attendees per 100 residents. The Yolo County Fair and Nevada County Fair attracted 66 and 100 attendees per 100 County residents, respectively. Many other fairs appear to be doing a much better job than the Placer County Fair of (a) attracting fair-goers from further distance away and (b) capturing more of their respective local markets.

- Indicative of its comparatively low attendance levels, **the Placer County Fairgrounds also generates the lowest volume of fair operating revenue per acre of land.** Fair operating revenue in 2012 approximated \$7,700 per acre (excluding the All American Speedway and non-fair interim revenue sources). Fair operating revenues in 2012 at each other comparison fairground reviewed exceeded \$12,000 per acre.
- **The Placer County Fairgrounds contains approximately 22,200 square feet of rentable exhibition space. The amount of space available is relatively comparable to other fairgrounds.** Daily rental rates range from approximately \$0.13-per-square-foot for its largest exhibition building of approximately 11,000 square feet to \$0.29-per-square-foot for its smallest exhibition space of approximately 2,000 square feet. Its daily rental rates appear to be slightly higher than some comparison fairgrounds located in more rural settings.
- **Interim non-fair operating revenue per acre of land at the Placer County Fairgrounds is more comparable to other fairgrounds.** In 2012, the Placer County Fairgrounds generated non-fair operating revenue of approximately \$7,400 per acre of land (excluding revenue and land associated with the All American Speedway). This non-fair revenue level exceeded the Yuba Sutter Fair and Nevada County Fair. Some comparison fairs such as the El Dorado County and Yolo County Fair generate non-fair operating revenue closer to \$10,000 per acre of land. Frequently cited sources of non-fair interim revenue by other fairgrounds include the lease of fairground property for other uses e.g. cell towers, local private and public educational institutions, etc.

PHYSICAL AND LOCATIONAL CHARACTERISTICS

Table C-1 summarizes the physical characteristics of the comparison fairgrounds relative to the Placer County Fairgrounds.

TABLE C-1: Comparison of Physical Characteristics

	Placer County Fair, Roseville	Gold Country Fair, Auburn	Yolo County Fair, Woodland	El Dorado County Fair, Placerville	Yuba Sutter Fair, Yuba City	Nevada County Fair, Grass Valley
Driving Distance from Placer County Fair (in miles)	---	16.9	33.1	35.3	36.2	40.0
Fairground State Classification	Class III+	Class III	Class III	Class III+	Class III	Class IV
Fairground Land Area (# Acres) ¹	44.0	38.0	55.5	40.0	42.0	87.0
Exhibition Building Space (# Square Feet)	22,200	25,700	41,000	24,200	36,100	24,800
Parking Capacity, Paved/Unpaved (# Cars)	415/2,400 2,800 Total	800/300 1,100 Total	1,500/2,500 4,000 Total	NA	1,100/900 2,000 Total	1,500/6,000 7,500 Total
Number of RV Sites With Hook-ups	20	15	40	NA	100	144

¹ Excludes property used for Motorized Racing.

Sources: Placer County Fair; El Dorado County Fair; GG+A Interviews.

Including the 17-acre All American Speedway, the Placer County Fair contains approximately 61 acres of land. The comparison fairgrounds range in size from approximately 38 to 87 acres of land, with only the Nevada County Fair (87-acre, Class IV fair) being nearly two times larger than Placer County.

The Placer County Fair contains approximately 22,200 square feet of enclosed exhibition building space. The amount of exhibition space contained at the other fairgrounds range from approximately 24,000 to 41,000 square feet. The Placer County, Gold Country, El Dorado County, and Nevada County fairgrounds all include somewhat comparable amounts of exhibition space, ranging from approximately 22,000 to 29,000 square feet. The Yuba Sutter Fairground contains approximately 36,000 square feet of exhibition space, approximately 25 percent larger than Placer County. The Yolo County Fairground contains about 40 percent more rentable exhibition space, reported at 41,000 square feet (one gymnasium-type facility however comprises the majority of this space).

According to analysis performed by the City of Roseville for the Placer County Fairgrounds, its potential maximum parking capacity is estimated at approximately 2,800 spaces in total; however these spaces were estimated on a schematic basis only and many of them are located offsite. Approximately 415 of those spaces onsite are currently paved spaces. The total parking capacity of the other comparison fairgrounds is reported to range from approximately 1,100 up to 7,500 spaces. The number of available paved parking spaces is estimated to range from approximately 800 to 1,500. The

Yolo County Fairground and Nevada County Fairground both contain approximately twice as many paved parking spaces as the Placer County Fairground and both fairgrounds exhibit larger overall parking capacities. The Nevada County Fairground in Grass Valley can accommodate parking for up to 7,500 cars.

The number of recreational vehicle (“RV”) sites with electric and water hook-ups is estimated to range from a low of 15 sites at the Gold Country Fairground to a high of 144 sites at the Nevada County Fairground. The Placer County Fairgrounds contains approximately 100 RV sites with full or partial hook-ups.

As summarized in Table C-2, the Placer County Fairgrounds is located in a much more densely populated area than many of the comparison fairgrounds.

TABLE C-2: Comparison of 5-Mile Demographic Estimates (2012) from Each Fairground

2012 Estimates	Placer County Fair, Roseville	Gold Country Fair, Auburn	Yolo County Fair, Woodland	El Dorado County Fair, Placerville	Yuba Sutter Fair, Yuba City	Nevada County Fair, Grass Valley
Population	277,690	39,614	58,094	32,856	112,625	38,800
Households	98,859	15,595	19,184	13,193	37,190	17,060
Average Household Income	\$89,439	\$81,043	\$75,260	\$74,846	\$60,185	\$66,798

Sources: MapInfo; Gruen Gruen + Associates.

According to MapInfo, within five miles of the Placer County Fairgrounds, there is an estimated total population of approximately 278,000. The surrounding 5-mile area contains almost 100,000 households with an average household income of approximately \$89,000. In contrast, the Gold Country, El Dorado County and Nevada County fairgrounds all contain fewer than 40,000 people within a 5-mile radius. The Yolo County and Yuba Sutter fairgrounds are located in more densely populated areas but still not comparable to the Placer County Fairgrounds. The highest average household income within five miles is also exhibited by the Placer County Fairgrounds.

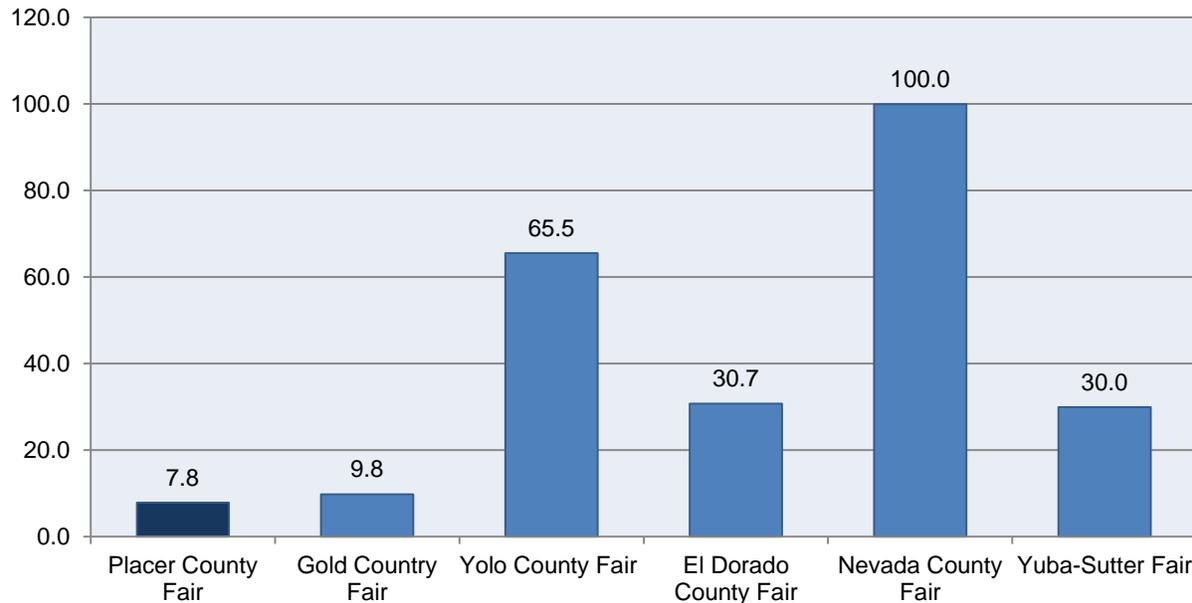
ANNUAL FAIR ATTENDANCE, MARKET PENETRATION AND FAIR REVENUE PERFORMANCE

Table C-3 below summarizes the duration and most recent attendance of each annual comparison fairs.

TABLE C-3: Comparison of 2013 Annual Fair Attendance						
	Placer County Fair, Roseville	Gold Country Fair, Auburn	Yolo County Fair, Woodland	El Dorado County Fair, Placerville	Yuba Sutter Fair, Yuba City	Nevada County Fair, Grass Valley
Annual Fair Duration (days)	4	4	5	4	5	5
Dates Held	June 20-23	Sept 5-8	Aug 14-18	June 13-16	July 31-Aug4	Aug 7-11
2013 Annual Fair Attendance	28,000	35,000	135,000	56,000	51,000	97,000
Sources: Placer County Fair; <u>Mountain Democrat</u> ; GG+A Interviews.						

In June of 2013, the 4-day annual Placer County Fair drew approximately 28,000 attendees. Attendance at the Gold Country Fair in Auburn was reported at approximately 35,000, also over four days in September. The Yolo County Fair is estimated to have drawn 135,000 attendees over its 5-day annual fair in mid-August. The El Dorado County Fair in Placerville is reported to have drawn approximately 56,000 attendees over its 4-day fair (also held in June). The Yuba Sutter Fair in early August drew an estimated 51,000 attendees. The Nevada County Fair in Grass Valley, recognized as one of California's top performing and most popular fairs, is estimated to have drawn approximately 97,000 over its 5-day fair in early August this past year.

An "attendees per 100 County residents" metric is presented below in Figure C-1. This ratio is indicative of the market area served by each fair and its capture rate.

FIGURE C-1: Fair Attendees per 100 County Residents (2013 Fair)

Sources: Placer County Fair; [Mountain Democrat](#); California Dept. of Finance; GG+A Interviews.

The Placer County Fair's attendance rate was 7.8 per 100 County residents in 2013. The rate of attendance for the Gold Country Fair, also in Placer County, was slightly higher at approximately 9.8 per 100 residents. Attendance rates at each of the other four fairs reviewed were considerably higher. In 2013, the ratio of attendance per 100 County residents approximated 30.0 at the Yuba-Sutter Fair; 30.7 in El Dorado County, 65.5 in Yolo County; and 100.0 (a 1-to-1 ratio) in Nevada County.

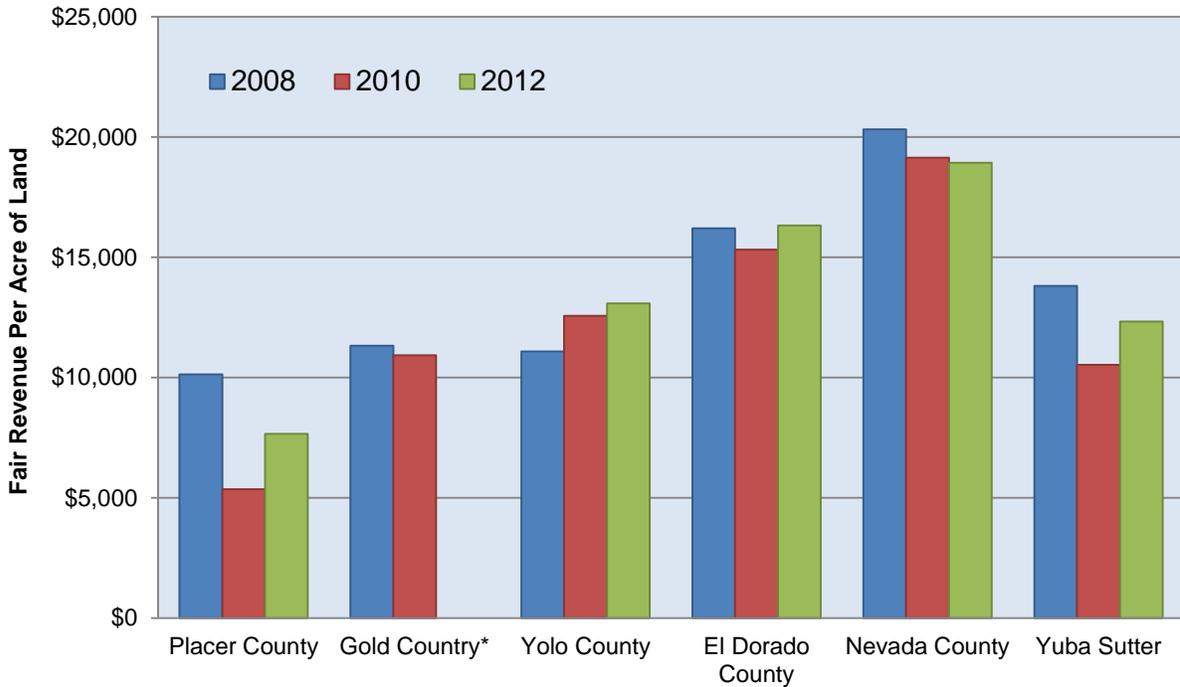
That is not to suggest that every single Nevada County resident attended its 2013 annual fair. It indicates that the Nevada County Fair does a comparatively much better job of (a) attracting fair-goers from further distance away; and (b) capturing more of its local market – as confirmed in an interview with the Fair Manager. The Nevada County Fair draws non-local attendees from up and down the I-80 Corridor, including the Bay Area, and a significant number from adjacent counties (Yuba, Sutter, and Placer). It also captures a high percentage of local residents whom tend to share a sense of good will and community pride about the Nevada County Fair.

The Yolo County Fair exhibits similar characteristics, partially because it is the only "free gate" fair in California. The Yolo County Fair has not charged admission to its annual fair since the 1940s and this "tradition" contributes to its high attendance, according to its Fair Manager. Most fair-goers originate from within Yolo County but the Yolo County Fair does attract a noticeable number of visitors from Sacramento County and to a lesser extent south from Solano County. The Gold Country Fair's geographic market area is more localized, perhaps not surprisingly, given its location less than 17 miles from the Placer County Fair. A representative of the Gold Country Fair, for example, indicated that its top three visitor zip codes for the 2013 fair were all in Auburn. The Yuba-Sutter

Fair in Yuba City also tends to attract the majority of its visitors from within its immediate market (Yuba City and Marysville).

Figure C-2 below summarizes a comparison of annual fair operating revenues for 2008, 2010, and 2012. The comparison is presented on a per-acre of land basis and excludes non-fair revenue sources (e.g. motorized racing, interim revenue).

FIGURE C-2: Annual Fair Revenue per Acre of Land



*Revenue data unavailable for 2012

Sources: State of California, Division of Fairs and Expositions; Gruen Gruen + Associates.

Indicative of its comparatively low attendance levels, the Placer County Fair also generates the lowest volume of fair operating revenue per acre. Fair operating revenue in 2012 approximated \$7,700 per acre (excluding the Speedway and non-fair interim revenue). By comparison, the Yolo County Fair generated fair operating revenue of \$13,100 per acre in 2012 and the Nevada County Fair generated just under \$19,000 per acre, more than twice that of the Placer County Fairgrounds. The El Dorado County Fair has also maintained high volumes of fair time revenue in excess of \$15,000 per acre of fairground land. The Gold Country Fair generated about \$11,000 of fair revenue per acre in 2008 and 2010 (more recent revenue estimates were not available). The Yolo County and Yuba Sutter Fairs both generated fair revenue of approximately \$13,000 per acre in 2012. Because of declining attendance and revenue and escalating operating costs, the Yuba Sutter Fair has shortened its annual fair from five to four days for this upcoming year.

The Yolo County Fair was the only fair to experience growth in its fair revenue over the period (its fair revenue has grown by approximately 15% over the prior five years). Its Fair Manager attributed this largely to efforts that have improved the local community's perception of the fairground as a fun, affordable, and safe/secure gathering place. The financial success of the Nevada County Fair is due to a variety of factors: the ambience, landscaping, and natural setting of the fairground is a huge draw; the popularity of its "Treat Street", which is primarily comprised by non-profit local food booths and vendors (the management of the Nevada County Fair minimizes reliance on large commercial vendors); strong exhibit programs; an extremely safe and secure environment; and perhaps most importantly, a great legacy of community pride and support. The Nevada County Fair also produces to events in addition to the once-a-year fair: the Draft Horse Classic and Country Christmas Faire. The Draft Horse Classic attracts a significant number of visitors from all across the Western United States and Canada.

The comparatively lower fair operating revenue performance of the Placer County Fair appears to reflect more than its low attendance and market capture. Expenditures per visitor are also estimated to be lower. In 2012, annual admission and concession revenue per fair attendee approximated \$3.90 at the Placer County Fairgrounds. The same expenditures per fair attendee approximated \$8 to \$9 at the El Dorado and Nevada County Fairs.

INTERIM EVENTS, FACILITY RENTALS AND NON-FAIR REVENUE PERFORMANCE

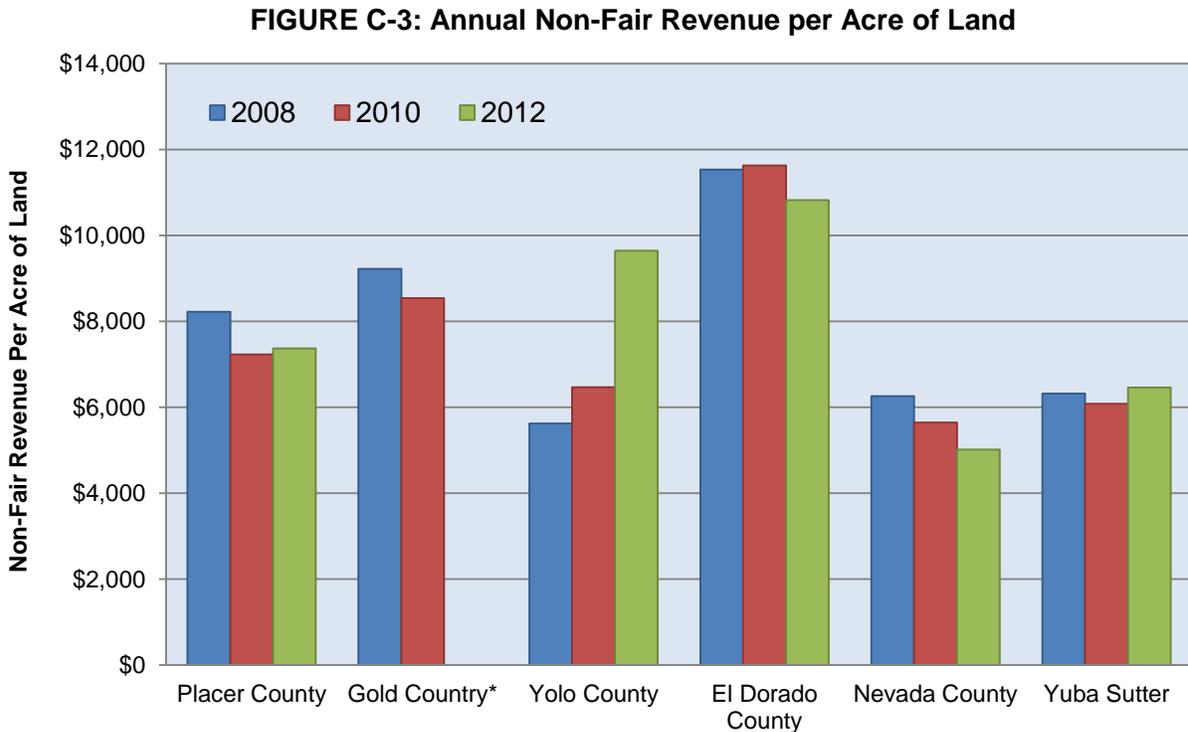
Table C-4 below summarizes the amount of exhibition space available and daily rental rates at each of the fairgrounds.

TABLE C-4: Exhibition Space Rental Rates				
	Amount of Exhibition Space # Square Feet	Size Range of Available Buildings # Square Feet	Daily Rental Rates ¹ \$ Total	Daily Rental Rates \$ Per Square Foot
Placer County Fair	22,200	2,000-11,000	\$600-\$1,425	\$0.13-\$0.29
Gold Country Fair	25,700	600-11,200	\$178-\$1,254	\$0.12-\$0.30
Yolo County Fair	18,000 ²	4,000-8,000	\$790-\$2,145	\$0.20-\$0.27
El Dorado County Fair	24,200	1,600-15,400	\$310-\$1,375	\$0.09-\$0.19
Nevada County Fair	24,800	3,000-12,200	\$400-\$1,800	\$0.15-\$0.17
Yuba Sutter Fair	36,100	3,400-16,000	\$425-\$1,525	\$0.10-\$0.13
¹ Includes rates for kitchen use where applicable.				
² Excludes 23,000-square-foot gym.				
Sources: Placer County Fair; El Dorado County Fair; GG+A Interviews.				

The largest exhibition spaces range from approximately 8,000 to 16,000 square feet, with the Placer County Fairground's largest exhibition space of approximately 11,000 square feet lying in the middle

of this range. The smallest facilities available range in size from approximately 600 square feet to 4,000 square feet. As summarized above, the daily rental fees of the Placer County Fairgrounds range from approximately \$600 to \$1,425 or \$0.13 to \$0.29 per square foot. Daily rates are reported to range from approximately \$0.12 to \$0.30 per square foot at the Gold Country Fair and from \$0.20 to \$0.27 per square foot at the Yolo County Fair. Daily rates at the El Dorado County Fair are reported to range from approximately \$0.09 to \$0.19 per square foot and from \$0.15 to \$0.17 per square foot at the Nevada County Fair. Daily rental rates are lowest at the Yuba Sutter Fair, ranging from approximately \$0.10 to \$0.13 per square foot.

Figure C-3 below summarizes a comparison of annual non-fair operating revenues for 2008, 2010, and 2012. The comparison is presented on a per-acre of land basis and excludes fair revenue sources and those associated with motorized racing.



*Revenue data unavailable for 2012

Sources: State of California, Division of Fairs and Expositions; Gruen Gruen + Associates.

Yolo County's non-fair revenue has grown strongly over the past several years. In 2008, its non-fair revenue per acre was considerably lower than that of the Placer County Fair at approximately \$5,700. By 2012, it is estimated to have grown by approximately 70% to almost \$9,700 per acre. Like the Placer County Fair, the Yolo County Fair is proximate to Cal Expo which represents a strong source of competition for events. For smaller social events, Yolo County primarily competes with other local venues (e.g. Woodland Hotel, Woodland Community Center, Elks Lodge, and Veterans Halls, etc.).

Social events held at the Yolo County Fair are frequent but do not represent a large revenue source. Its largest non-fair event, in terms of attendance, is the Sacramento Valley Scottish Games and Festival held over two days in late summer. This event draws a specific audience of people from across the Sacramento region.¹⁷ Yolo County also hosts three low rider car shows each year. According to the Fair Manager, these events are "important money makers" and draw large crowds. Two AKC dog shows held each year (both multi-day events) are also large sources of interim revenue. The Yolo County also seeks to accommodate increasingly-popular Hispanic rodeos, which generally rent the arena and large exhibit building for dancing. In addition to these events, our interview with the Fair Manager suggests that the Yolo County Fair has done a good job at "getting more creative" with interim revenue generation. The Yolo County Fair generates additional revenue, for example, from sources such as:

- Three cell tower leases;
- Ground lease of an unused parking lot to a Charter High School (which has modular buildings on the lot);
- Rental of largest exhibit building to a private Christian school for use as a gymnasium; and
- Advertising sales from digital signage/billboard what was recently installed at the hard corner location.

According to the Yolo County Fair Manager, these additional non-fair revenue sources net the Yolo County Fair approximately \$270,000 per year.

According to the Nevada County Fair Manager, its exhibition space primarily competes with the Veterans Memorial Auditorium in Grass Valley or the Miner's Foundry in Nevada City for users. The Nevada County Fair does not really compete with other fairgrounds. The Nevada County fairgrounds attract local social events (weddings, birthday parties, non-profit fundraising events, etc.) but this is not their "bread and butter". Most rental income is attributed to larger multi-day festivals that draw from all over Northern California, examples of which include the California Bluegrass Festival, World Fest, and Willie Nelson concert. These festivals rent the entire grounds and usually bring in \$25,000 to \$35,000 in revenue each. The Nevada County Fair cannot accommodate all festival requests it receives. The Fair Manager was unsure exactly where else the festivals go, but knows that in the past some have gone to Chico, California.

The most common type of event held at the Gold Country Fair is reported to be non-profit fundraisers. Smaller social events tend to represent the second largest source of interim revenue. Two of the largest non-fair events held each year at the Gold Country Fair include the Mandarin Festival and the Auburn Home Show, both of which utilize the entire fairgrounds. The Gold Country Fair does not generally attract music festivals or car shows.

¹⁷ The Scottish Games & Festival used to be held at the Placer County Fair. The Yolo County Fair Manager indicated that the event left Placer County primarily because of space-related constraints and because it wanted a long-term venue partner with which to establish more of a "permanent" presence.

The Yuba-Sutter Fair does not have much local competition for event space. Local office facilities in Yuba City rent out meeting/seminar space on hourly basis and the local Vets Hall and churches provide event space alternatives. No other local venues can accommodate events of 1,100 people. One of the larger events held is the Yuba City Rotary Club's annual crab feed, which is held in the Main exhibit hall. The Yuba Chamber of Commerce also holds many of its events in their main hall. Typically, any large public / city / non-profit function is held in the main exhibit hall at the Yuba-Sutter Fair. The smaller halls at the grounds (Franklin and Palmer halls and Flower House building) are primarily used for social events (a lot of Quinceañera) and meetings and seminars associated with the local business community. All events tend to be local (Yuba or Sutter County) in terms of their attendees and sponsorship. The Yuba Sutter Fair rents one building during non-fair time to a Head Start program during the school year and is pursuing cell tower leases on its property.

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- Commercial exhibits
- Floral exhibits
- Home arts exhibits
- Art or craft shows or exhibits
- Music events
- Non-music entertainment events
- Carnival games or rides
- Special family events or contests
- Eating and drinking
- Socializing with friends or neighbors
- Other (please specify): _____

8. How did you hear about the Placer County Fair? **(check all that apply)**

- Highway or Roadway signs?
- Web site
- Newspaper ads
- Newspaper articles
- T.V.
- Radio
- Posters
- Postcards
- Mailers to the home
- Other (please specify) _____

9. Which of the following events or activities did you visit today?

(Note if survey conducted by interviewers, the interviewers should show the list to each respondent).

- Livestock shows or exhibits
- Agricultural exhibits
- Commercial exhibits
- Floral exhibits
- Home arts exhibits
- Art or craft shows or exhibits
- Music events
- Non-music entertainment events
- Carnival games or rides
- Special family events or contests
- Food
- Wine or microbreweries
- Other (please specify) _____

10. Which event or activity did you like best? (Please specify)

11. Which event or activity did you like second best? (Please specify)

12. Which of the following programs or activities would you most like to be offered at the next Placer County Fair?

More family activities such as (please specify):

More home and garden exhibits (please specify):

More food and wine (please specify):

More arts and crafts (please specify):

More music events (please specify):

Other entertainment (please specify):

Hobby exhibits (please specify):

Sports contests (please specify):

Other (please specify):

Please rank the following from 1 to 5 with “1” being the worst and “5”the best:

	1	2	3	4	5
Courtesy and helpfulness of Fair attendants and operators	_____	_____	_____	_____	_____
Cleanliness of Fairgrounds	_____	_____	_____	_____	_____
Parking availability and ease of getting to Fair entrances	_____	_____	_____	_____	_____
Neatness and attractiveness of commercial exhibits	_____	_____	_____	_____	_____
Neatness and attractiveness of food and drink concessions	_____	_____	_____	_____	_____
Neatness and Cleanliness of Restrooms	_____	_____	_____	_____	_____

13. Do you feel safe at the Placer County Fair, even after dark? Yes No

14. If you could make one change or improvement that would make your fair-going experience more enjoyable, what would be that one change or improvement?

15. Counting yourself, how many people are in your group visiting the Placer County Fair today?
 _____ Number in group

16. How many people in your group visiting the Placer County Fair today are of the following ages?

- Under the age of 12 _____
- Age 12 to 17 _____
- Age 18 to 24 _____
- Age 25 to 34 _____
- Age 35 to 54 _____
- Age 55 to 65 _____
- Age 66 to 74 _____
- Over 74 years of age _____

17. Please check which of the following types of purchases you or others attending the Fair with you made today at the Fair:

	Yes	No
Food	<input type="checkbox"/>	<input type="checkbox"/>
Beverages	<input type="checkbox"/>	<input type="checkbox"/>
Rides	<input type="checkbox"/>	<input type="checkbox"/>
Games	<input type="checkbox"/>	<input type="checkbox"/>
Souvenirs	<input type="checkbox"/>	<input type="checkbox"/>
Retail items	<input type="checkbox"/>	<input type="checkbox"/>

18. Did you park at the Fairgrounds today? Yes No

19. Excluding admission and parking, approximately how much did you and others attending the Fair with you spend today at the Fair in total?

- Under \$25.00 \$25.01 to \$50.00 \$51.00 to \$75.00
- \$75.01 to \$100 101-\$200 \$201 to \$300 Over \$300

20. Did you or members of your travel group obtain discounted tickets? Yes No

21. Approximately how many hours did you spend at the Fair today? ____ Number of hours

22. Thinking about your experience today at the Placer county Fair, do you feel you received good value for your money? Yes No

If No, why do you not feel you obtained good value?

23. In what zip code do you live? _____

(If using interviewers to conduct the exit survey, interviews should show the following questions to the respondent and have respondent indicate answers)

24. What is your gender Male Female

25. What was your household's total before-tax income in 2013?

- Under \$25,000
- \$25,000 to \$35,000
- \$35,001 to \$50,000
- \$50,001 to \$74,999
- \$75,000 to \$99,999
- \$100,000 to \$150,000
- Above \$150,000

26. Counting yourself, how many persons live in your household? ____ Number of persons

27. Of the persons which live in your household, how many are 18 years of age or younger?
 ____ Number of persons 18 and under

28. Are you of Hispanic or Latino origin? Yes No

29. Which group best describes your racial make-up?

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White
- Some other race

Thank you for taking the time to complete this survey.

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APPENDIX E: PRELIMINARY FACILITY ASSESSMENT

Placer County Fairgrounds

Preliminary Facility Assessment



Prepared by:

RCH Group
11060 White Rock Rd, Ste. 150-A
Rancho Cordova, CA 95670
(916) 782-4427

July 2014

Vehicular Entry



Current Condition: Circuitous entry: Wayfinding signage in poor condition.

Suggested Improvements: Landscaping/screening and improved signage.

Main Gate



Current Condition: The structure itself is in good condition, but is not extensively used.

Suggested Improvements: Incorporate into future designs.

Secondary Gate



Current Condition: Functional. The structure of the gate itself remains in good condition, however the gate holds no aesthetic appeal. While the gate is completely functional, its size, lack of landscaping, and plain architecture does not excite patrons as they enter the fairgrounds.

Suggested Improvements: Enhanced landscaping and signage

Administration Building



Current Condition: Excellent

Suggested Improvements: None

Johnson Hall



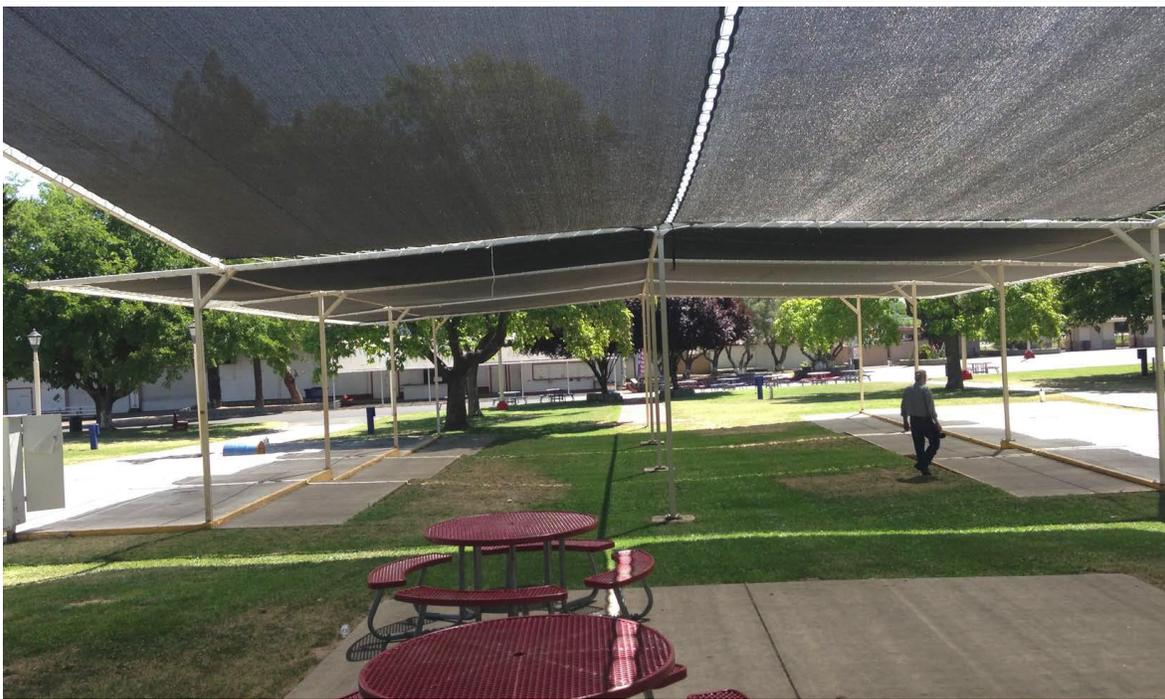
Current Condition: The condition of this building is good, and requires limited improvements. Attractive laminate beams span the 19' high roof, creating a multi-functional open space floor. The amenities of this building are listed below:

- Kitchen (good condition) -Stage (good condition) -Roll Up Door (functional)
- Bar Area (good condition) -Acoustic Tiles on ceiling (good condition)
- Interior Restrooms (non-operational) -Indoor/Outdoor Restrooms (accessible from outside or inside, these restrooms are in good condition and ADA compliant)

Suggested Improvements:

- Fix interior restrooms
- Minor surficial improvements e.g. paint, plaster, etc.
- Certify Kitche

Small Stage Attached to Johnson Hall



Current Condition: The condition of materials is good, however the design is poor.

Suggested Improvements: Remove overhead structure and integrate design as a multi-functional open space.

Jones Hall



Current Condition: The condition of this building is good, however the functionality is very poor. The exterior of the building is plain. The interior is a very long, dark cavernous space with concrete floors and no windows. The lowered T-bar ceiling is in poor condition and reduces the ceiling height from 30' to 19', making the interior feel depressed. There are two sets of restrooms in this building, one set by the front entry, and other about mid-point on the building with attaches to the Garden Room. There is also a kitchen which is smaller than the Jones Hall kitchen, but functions well with the attached garden room.

Suggested Improvements:

- Remove T-Bar ceiling and expose structure
- Install windows or skylights
- Paint interior
- Rebuild stage area with ADA ram

Garden Room



Current Condition: The condition of this building is good, and requires limited improvements. The floor to ceiling windows provide excellent light to the interior and create an open feeling. This building shares restrooms and a kitchen with Jones Hall, which can be closed off or open to either the Garden Room or Jones Hall.

Suggested Improvements: While improvements are suggested, it is felt that these are not necessary.

- Refinish floor
- Improve Kitchen

Lauppe Hall



Current Condition: The exterior condition is fair, and while the interior condition is poor it does have air conditioning. The T-bar ceiling is falling apart, the restrooms are dilapidated and not to current code, and the kitchen/storage area is in poor condition.

Suggested Improvements:

- Repair T-bar ceiling
- Repair restrooms and bring up to code
- Restore storage room

Livestock Pavilions



Current Condition: The livestock structures are in good condition. There are (4) four main open truss structures that function as a typical livestock pin. This area is regularly used by the 4-H program and well maintained.

Suggested Improvements: Clean up the area and improve landscaping

Show Ring



Current Condition: The structure is in good condition. Because it is in a central location, no other vendor activities can successfully occur simultaneously.

Suggested Improvements: None.

Vineyard Barn



Current Condition: Good.

Suggested Improvements: None.

Southern Pacific Car



Current Condition: The condition of this attraction is fair.

Suggested Improvements: None

Beer Garden



Current Condition: Fair Condition.

Suggested Improvements: Relocate based on redesign of core area.

Main Stage



Current Condition: The condition of the stage is fair. The stage itself is not exceptionally attractive, however the structure is in good condition. The stage is not on any central axis, and far from activities. It is nearly 100 yards from the beer garden.

Suggested Improvements: Relocate based on redesign of core area

RV Park



Current Condition: The RV Park is located in a prominent location of the fairgrounds, adjacent to Jones Hall, the beer garden, and the main stage. During fair time this area becomes a dead zone and an impediment to pedestrians.

Suggested Improvements: Relocate.

Tree Areas



Current Condition: There are two mature tree groves on the fairgrounds property. Both provide abundant shade, but neither are used.

Suggested Improvements: Prune trees and incorporate into redesign.

Restroom



Current Condition: The condition of this building is poor. The building has restrooms and showers. This building is used by the people setting up the fair, but is also adjacent to the carnival portion of the fair and used during fair time.

Suggested Improvements: Clean and update facilities.

Corporation Yard Road



Current Condition: Semi-improved.

Suggested Improvements: Street improvements as needed.

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APPENDIX F: ILLUSTRATIVE PROTOTYPE COST ESTIMATES

Buildings - Placer County Events Center "Core Area" Prototype

Order of Magnitude Construction Costs 8/27/2014

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RCH Group

Room/Function	Area (sf)	Est. \$/sf	Estimated Construction Cost	Totals with Contingencies	Total Cost/sf
Building A					
Exposition Hall	60,000	\$ 150.00	\$ 9,000,000		
Storage	7,500	\$ 125.00	\$ 937,500		
Restrooms	1,200	\$ 250.00	\$ 300,000		
Kitchen (incl. Kit. Equip.)	2,000	\$ 400.00	\$ 800,000		
	70,700		\$ 11,037,500		
A.V. Equipment Allowance (Estimated)			\$ 450,000		
Subtotal			\$ 11,487,500		
	Contingency	15%	\$ 1,723,125		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 13,210,625		
	<i>Est'd. Avg. Cost/Sq.Ft.</i>	\$ 186.85			
Soft Costs		20%	\$ 2,642,125	\$ 15,852,750	
					\$224
Building B					
Multi-Use Shell	60,000	\$ 55.00	\$ 3,300,000.00		
Storage	7,500	\$ 125.00	\$ 937,500.00		
Restrooms	1,200	\$ 400.00	\$ 480,000.00		
	68,700		\$ 4,717,500		
A.V. Equipment Allowance (Estimated)			\$ 150,000		
			\$ 4,867,500		
	Contingency	15%	\$ 730,125		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 5,597,625		
	<i>Est'd. Avg. Cost/Sq.Ft.</i>	\$ 81.48			
Soft Costs		20%	\$ 1,119,525	\$ 6,717,150	
					\$98
Other					
Administration Building	5,000	\$ 175.00	\$ 875,000		
Restrooms (2-Free Standing)	2,400	\$ 225.00	\$ 540,000		
Ticket Booths (4-Portable)			\$ 40,000		
Tower (Estimated)			\$ 500,000		
			\$ 1,955,000		
	Contingency	15%	\$ 293,250		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 2,248,250		
Soft Costs		20%	\$ 449,650	\$ 2,697,900	

Note: Order of magnitude costs were derived from area takeoffs and estimated square footage requirements, and assumed that all facilities would be newly constructed. Area takeoffs were derived from non-engineered base maps, are conceptual, and are subject to change. Costs have been based upon historical data and allowances for similar project types (fairs) constructed or planned in Northern California. Costs are provided without the benefit of architectural or engineering drawings, or detailed facility programs. Order of magnitude costs have been developed only for the major elements of work, do not necessarily include or reflect all possible variables, are not intended to be all-inclusive, and should be used for discussion purposes only.

Site Work - Placer County Events Center "Core Area" Prototype

Page 2

Order of Magnitude Construction Costs 8/6/2014

RCH Group

Area	Area (sf)	Est. \$/sf	Estimated Construction Cost	Totals with Contingencies	Total Cost/sf
Hardscape / Landscape					
Multi-Use Open Space (Hard)	390,000	\$ 15.00	\$ 5,850,000		
Multi-Use Open Space (Soft)	131,000	\$ 8.00	\$ 1,048,000		
Site Edges (Fencing, walls, screening)	55,000	\$ 7.00	\$ 385,000		
Lighting	521,000	\$ 2.00	\$ 1,042,000		
Site Furnishings (Signage, benches)	260,000	\$ 1.50	\$ 390,000		
			\$ 7,283,000		
		Contingency 15%	\$ 1,092,450		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 8,375,450		
Soft Costs		20%	\$ 1,675,090	\$ 10,050,540	
Parking / Roads / Utilities					
Access Roads	152,500	\$ 8.00	\$ 1,220,000.00		
Main Parking Lots (Fully Improved)	325,000	\$ 6.00	\$ 1,950,000.00		
Overflow Parking (Gravel)	325,000	\$ 2.00	\$ 650,000.00		
Utilities (On-Site Sewer/Water/Drainage)	521,000	\$ 1.25	\$ 651,250.00		
			\$ 4,471,250		
		Contingency 15%	\$ 670,688		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 5,141,938		
Soft Costs		20%	\$ 1,028,388	\$ 6,170,325	
ESTIMATED TOTAL CONSTRUCTION COST				\$ 41,488,665	

Note: Order of magnitude costs were derived from area takeoffs and estimated square footage requirements, and assumed that all facilities would be newly constructed. Area takeoffs were derived from non-engineered base maps, are conceptual, and are subject to change. Costs have been based upon historical data and allowances for similar project types (fairs) constructed or planned in Northern California. Costs are provided without the benefit of architectural or engineering drawings, or detailed facility programs. Order of magnitude costs have been developed only for the major elements of work, do not necessarily include or reflect all possible variables, are not intended to be all-inclusive, and should be used for discussion purposes only.

Livestock Area - Placer County Events Center "Core Area" Prototype

Order of Magnitude Construction Costs 8/27/2014

Page 3
RCH Group

New Open Air Pavillion

Room/Function	Unit / Area (sf)	Est. \$/sf	Estimated Construction Cost	Totals with Contingencies	Total Cost/sf
Structure (Floor, Columns, Roof)	9,600	\$ 45.00	\$ 432,000		
Snack Bar (incl. equip.)	96	\$ 225.00	\$ 21,600		
	10,916		\$ 453,600		
A.V. Equipment allowance (estimated)			\$ 15,500		
Subtotal			\$ 469,100		
Contingency		15%	\$ 70,365		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 539,465		
	<i>Est'd. Avg. Cost/Sq.Ft.</i>	\$ 49.42			
Soft Costs		20%	\$ 107,893	\$ 647,358	\$59

New Open Air Pavillion Site Improvements

Walkways	11,300	\$ 8.00	\$ 90,400		
Softscape and lawn areas	23,700	\$ 5.00	\$ 118,500		
Service Area	91,500	\$ 5.00	\$ 457,500		
Signage (Allow \$15,000)	NA	NA	\$ 15,000		
			\$ 681,400		
Contingency		15%	\$ 102,210		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 783,610		
Soft Costs		20%	\$ 136,280	\$ 919,890	

Riding Ring

Ring	25,000	\$ 8.00	\$ 200,000		
Bleachers (600 seats)	600	\$ 30.00	\$ 18,000		
			\$ 218,000		
Contingency		15%	\$ 32,700		
ESTIMATED SUBTOTAL CONSTRUCTION COST			\$ 250,700		
				\$ 250,700	
ESTIMATED TOTAL CONSTRUCTION COST (LIVESTOCK)				\$ 1,817,948	
ESTIMATED TOTAL CONSTRUCTION COST (CORE BUILDINGS)				\$ 41,488,665	
COMBINED TOTAL CONSTRUCTION COSTS				\$ 43,306,613	

Note: Order of magnitude costs were derived from area takeoffs and estimated square footage requirements, and assumed that all facilities would be newly constructed. Area takeoffs were derived from non-engineered base maps, are conceptual, and are subject to change. Costs have been based upon historical data and allowances for similar project types (fairs) constructed or planned in Northern California. Costs are provided without the benefit of architectural or engineering drawings, or detailed facility programs. Order of magnitude costs have been developed only for the major elements of work, do not necessarily include or reflect all possible variables, are not intended to be all-inclusive, and should be used for discussion purposes only.

Placer County Events Center - Debt Obligation Scenario

	<u>Event Center</u>	
Term (years)	20	
Avg Coupon Rate	5.00%	
Coverage Ratio	125%	
Cost of Issuance	1.00%	
Capital Cost	\$43,306,613	
Bond Proceeds	\$47,602,374	
Debt Service Reserve Fund	\$3,819,738	
Delivery Date Expenses	\$476,024	
Project Funds	\$43,306,613	
		 <u>@ 125% Coverage</u>
	<u>Debt Svc</u>	<u>Revenue Requirement</u>
Yr 1	\$3,819,738	\$4,774,672
Yr 2	\$3,819,738	\$4,774,672
Yr 3	\$3,819,738	\$4,774,672
Yr 4	\$3,819,738	\$4,774,672
Yr 5	\$3,819,738	\$4,774,672
Yr 6	\$3,819,738	\$4,774,672
Yr 7	\$3,819,738	\$4,774,672
Yr 8	\$3,819,738	\$4,774,672
Yr 9	\$3,819,738	\$4,774,672
Yr 10	\$3,819,738	\$4,774,672
Yr 11	\$3,819,738	\$4,774,672
Yr 12	\$3,819,738	\$4,774,672
Yr 13	\$3,819,738	\$4,774,672
Yr 14	\$3,819,738	\$4,774,672
Yr 15	\$3,819,738	\$4,774,672
Yr 16	\$3,819,738	\$4,774,672
Yr 17	\$3,819,738	\$4,774,672
Yr 18	\$3,819,738	\$4,774,672
Yr 19	\$3,819,738	\$4,774,672
Yr 20	\$3,819,738	\$4,774,672
Total	\$76,394,754	\$95,493,442

Source: Gruen Gruen + Associates