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President of the Senate

Senate Rural Communities and Economic Development

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TESTIMONY BY SENATOR PETER COURTNEY
SUPPORTING SB 7
APRIL 2, 2013

Chair Roblan, Vice-Chair Baertschiger, and members of the Rural Communities and Economic Development Committee: thank you for hearing my testimony today in support of Senate Bill 7. My name is Peter Courtney. I am a State Senator, and I live in NE Salem.

I didn't grow up with a state fair, so when I moved here in July of 1969, I had my first state fair experience. I love the fair. I go every year. I love the the kids and their animals, the food, the rides, the tram, the merchants selling knives, quilts, art, etc. I love the whole thing! I have been involved with the fair grounds and facilities since the late 1970s when I served on the city council.

- I helped get rid of horse racing because the track was so dilapidated.
- I helped get the new pavilion built.
- I helped get the barns repaired and remodeled.

Chair Roblan, members of the committee, I'm at it again. The Fair itself is 11 days long and as an event, the Fair is very successful. Attendance has held steady at about 250,000. It works; it pays for itself and then some. A few years ago, we moved the State Fair into Parks, so that it would have more human and capital support.

Even with the excellent management by Parks, the 11 day State Fair does not make enough money to maintain the grounds, facilities, and employees the other 354 days of the year. It is the other 354 days that require more flexibility than is allowed under a state agency. This bill seeks to reorganize the State Fair so that it may operate more like a business – with creativity, flexibility, and using the expertise of the community members.

SB 7:

- Establishes the State Fair as a public corporation – like SAIF and OHSU;
- Requires the formation of the “State Fair Council” to act as the board of directors;

- The Council will be community members appointed by the Governor that are from private sector business, non-profit, economic development, finance, events and facility management, as well as city, county, and state government.
- Provides for a 2 year transition period during which Parks will continue to give staff and financial support;
- Allows the Council flexibility in procuring off-season activities, leasing facilities, naming rights to the pavilion and exposition center, as well as other revenue generating activities; and
- Charges the Legislature and Department of Administrative Services (DAS) with oversight.

State fairs across the country have been struggling in recent years.

- In 2009, Michigan State Fair shut down.
- In 2011, the Nevada fair shut down.
- In 2012, the Virginia fair was bought by a private company called Universal Fairs which also operates the fairs in Georgia, Tennessee, and Mississippi.

I don't want that. I don't want a private company to come in and do away with the agricultural aspect of the fair. I want Oregonians to participate – which is what this bill requires. Other financially successful state fair models (including Washington state and Iowa) use a 501 c(3) structure. The Washington fairgrounds are always buzzing with events—

In the last month, it has held a

- Sewing and stitchery expo;
- Electronics show and fleamarket;
- 4x4 off-road and high performance meet;
- Conference for small business;
- Swap meet and car show;
- Rotary Club crab feed;
- Snowmobile show; and
- The Circus

I want the Oregon fair to be this dynamic.

Oregon is not ready for the Washington-style non-profit model, however, as it would prohibit the Fair from receiving any state funds and public funding – which will be necessary during the transition. Therefore, the public corporation model is necessary for the near future. If the State Fair Council is successful -- in 5 years or so, they could move to the 501 c(3) structure and become independent of state dollars. Given our incredibly tight budget, without this fix, I can't guarantee we can keep the Fair alive in the coming years. This legislation also doesn't guarantee that the Fair will make it, but it is the best shot at creating a vibrant, solvent State Fair while saving taxpayer dollars.

This is it. I hope you like the plan. Thank you.