



Oregon

John A. Kitzhaber, MD, Governor

Department of Administrative Services

Office of the Chief Operating Officer

155 Cottage Street NE

Salem, OR 97301

PHONE: 503-378-3106

FAX: 503-373-7643

December 10, 2014

The Honorable Senator Peter Courtney
The Honorable Representative Tina Kotek
900 Court Street NE
Salem, OR 97301-4048

Dear Legislators:

During the 2013 Legislative session, Senate Bill 7 was passed that created the Oregon State Fair Council (Council). Senate Bill 7 transitioned the State Fair and Exposition Center out of the Oregon Parks and Recreation Department (OPRD) into a public corporation.


OPRD committed to providing the necessary assistance to operate the state fair and exposition center while the Council was forming and to make the transition happen as smoothly as possible. In addition, OPRD maintained responsibility for payment of the remaining debt service on lottery backed bonds issued on behalf of the Oregon State Fair and Exposition Center many years ago; it is anticipated that the bonds will be paid off in 2018.

As directed by Senate Bill 7, the Department of Administrative Services (DAS) and the Council entered into a lease agreement for the real property and facilities since the bill directs that ownership remain with the State of Oregon. In addition, DAS has entered into an Intergovernmental Agreement with the Council; DAS will work with the Council on any necessary budget development, emergency board actions and other actions required to receive funding approved by the Legislative Assembly.

The Council reviewed its financial situation as it was known in June 2014 and determined the need to request funding from the Legislative Assembly. Policy packages for a total of \$11.225 million were created for submission as part of the 2015-17 Agency Request Budget process. Unfortunately, as sometimes happens in a complicated transition with many different parties having various responsibilities, the packages were not included in the 2015-17 Agency Request Budget and therefore not considered or included in the 2015-17 Governor's Recommended Budget.

This oversight was unintentional and does not in any way reflect on the validity of the request.

Sincerely,



Michael Jordan
Chief Operating Officer

cc: Lisa Van Laanen, OPRD
Richard Devlin, Senator
Peter Buckley, State Representative
George Naughton, CFO
Ken Rocco, LFO
Paul Seibert, LFO
Linda Gilbert, LFO
Lisa Pearson, CFO
Donna Haole-Valenzuela, DBS



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Tina Kotek, Speaker of the House
George Naughton, CFO
Ken Rocco, LFO
Paul Seibert, LFO
Linda Gilbert, LFO
Lisa Pearson, CFO, BAM
Donna Haole-Valenzuela, DBS