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www.ClarkCoEventCenter.com

www.ClarkCoFair.com

2015 Annual Plan:

TO: Fairgrounds Site Management Group Board of Directors
FROM: John R. Morrison, Jr. – Clark County Event Center Executive Director
Clark County Fair Manager/CEO
DATE: January 1, 2015

The Clark County Event Center is pleased to present this 2014 Annual Plan for review. Pursuant to the Site Management contract, we offer goals and strategies to help give the County a complete picture of the status, direction, issues and general overall performance of the Event Center management.

TABLE OF CONTENTS:

- I. 2014 Year in Review
 - A. Overall Budget Actuals
 - B. Events
 - C. Fair

- II. 2015 Strategies / Goals / Issues
 - A. Events
 - 1. Self-promoted events
 - 2. Attract other promoters
 - 3. Extend event season
 - B. Capital improvements & equipment / Remaining Bond funds
 - C. Fair
 - 1. Grandstand Entertainment
 - 2. Grounds Entertainment
 - 3. Sponsorships and Corporate partnerships
 - 4. Contracts
 - 5. Social Media
 - D. Marketing
 - 1. Websites
 - 2. Social Media
 - 3. Public Relations and General Marketing
 - 4. E-mail Database
 - 5. The Columbian and Other Cross-Marketing
 - E. Issues/Concerns
 - 1. State Fair Fund
 - 2. Budget Shortfall/Backstop

I. 2014 YEAR IN REVIEW – PERFORMANCE/ACCOMPLISHMENTS:

A. OVERALL 2014 BUDGET ACTUALS: (as of October 31, 2014)

	<u>Fair</u>	<u>Exhibition Hall</u>	<u>Other Events, Grounds</u>	<u>Overall 2014 Event Center</u>
Rev:	\$2,871,594	Rev: \$777,661	Rev: \$270,034	\$3,919,289
Exp:	<u>\$2,339,464</u>	Exp: <u>\$775,587</u>	Exp: <u>\$536,949</u>	<u>\$3,652,000</u>
	\$532,130	\$2,074*	(\$266,915)	\$267,289

The Fair returned a substantial profit. This was due to many factors including a solid plan that offered attractions to the public that were responsive to their requests as well as the requests of vendors and concessionaire, bringing free concerts back into the Grandstands, realigning the motor sports and near ideal weather all ten days of the Fair.

The Exhibition Hall continues to improve year to year. Its revenues are projected to increase by more than 3% from 2014.

* Includes \$250,000 Operational Support

B. EVENTS:

Total Event Days: 254

Total Attendance: 450,566

Breakdown:	event days	attendance
Clark County Fair	10	272,896
Exhibition Hall	77	126,000
Giesy Equestrian Arena	119	20,270
Misc. grounds events	<u>48</u>	<u>31,400</u>
	254	450,566

The overall bookings for the Event Center in 2014 were up from the previous year by 36 event days.

The fifth year for the FSMG-produced and promoted Holiday Gift Fair in November continues to grow and has become a successful community event with profits in excess of \$40K. FSMG's 4th annual Washington State Horse Expo in February was a huge undertaking that garnered over \$115,000 in revenue netting just over \$50,000 in profit. FSMG also added the Nutter Foundation Dozer Day event in 2014 as well as several 5K run events to add to the annual event calendar. FSMG continues to attract niche sporting events such as Cross Fit, Bodybuilding, MMA Fight Night and Gymnastics showcases.

C. FAIR:

The Clark County Fair continues to be the premier event in Clark County and Southwest Washington year after year.

The 2014 attendance was up 1.3% overall from the previous year. That increase is significant in that last year also saw record numbers. It was the highest attended Fair in the last ten years.

Record revenues were realized in both the food court and the carnival. Each experienced record days during the Fair and record overall numbers for the run of the Fair. Cash sponsorships exceeded the goal again due to outstanding efforts by the marketing staff and new sales strategies and structures.

This is the fifth straight year with no significant price increases for the Fair. Admission, carnival and food and beverage prices were all similar to previous years.

REVENUES & COMPARISONS:	<u>2013</u>	<u>2014</u>	<u>CHANGE</u>
• Attendance	269,269	272,986	+1.3%
• Paid Admission	123,025	124,831	+1.5%
• Parking Tickets issued	48,460	48,202	-0.1%
• Admission Revenue	\$999,289	\$998,880	-0.01%
• Parking Revenue (gross)	\$248,889	\$229,626	-0.08%
• Food & Bev Revenue (gross)	\$1,705,442	\$1,720,897	+0.01%
• Carnival Revenue (gross)	\$1,222,576	\$1,307,154	+6.9%
• Commercial Vendors	\$412,076	\$423,206	+2.7%
• Sponsorship Revenue	\$165,710	\$170,250	+2.7%

Even with the slumping economy, it appears spending money locally on family entertainment is still a viable option for Clark County citizens.

II. 2015 STRATEGIES / GOALS / ISSUES:

A. EVENTS: Maximizing bookings and event activity is always a main goal of FSMG. A balance is recognized between large consumer events, trade shows, public spectator events, private events and smaller community events or corporate meetings.

1. **SELF-PROMOTED EVENTS:** In 2015 FSMG will continue its very successful promoting of two events utilizing existing event and marketing staff. 2015's goal will be the expansion and further development of these events:
 - Washington State Horse Expo: (February) The first year of this event in 2011 was a huge success. The event has grown considerably with significantly more vendors. This show is already the premier Equestrian Expo for not only Washington State, but the entire NW.
 - Clark County Holiday Gift Fair: (November) The growth of this show has remained steady with a significant increase in vendors for 2014. We expect the vendor list to keep growing and more craft vendors to be added in 2015. The FSMG staff will be attending events throughout the year to identify new vendors and we will explore opportunities to cross promote this event with many other similar events throughout the year.
2. **ATTRACT OTHER EVENT PROMOTERS:** More emphasis will be placed on developing client lists and drawing new promoters to the facility. Several out of the area shows chose the Event Center for their West Coast locations, including the Festival of Angels and Junk Bonanza antique show.

Marketing tools, such as video shorts and commercials showing past events, will assist in marketing and selling the facility. New sales opportunities such as co-promoting opportunities will be considered.

We will continue efforts, in association with the SW Washington Tourism Office, to develop and attract out of area conferences and events. Specifically sporting events will be pursued such as area and state volleyball and basketball tournaments.

3. **EXTEND THE EVENT SEASON:** The Event Center is committed to working more closely with the Amphitheater in order to share event dates over the summer season. Events will be developed both with and without the Amphitheater's involvement to increase summer bookings that don't preclude the other from doing business.

B. CAPITAL IMPROVEMENTS / EQUIPMENT: Approximately \$8,400 of the original bond funds still remain. These are dedicated funds and can only be used for the construction or equipment outfitting of the Exhibition Hall. 2015 will see the final expenditure of these funds for breakout space room dividers which will make the Event Center more effective and marketable.

C. FAIR:

1. **GRANDSTAND ENTERTAINMENT:** Free concerts will again be offered during the Fair in the Grandstands and none will be in the Sleep Country Amphitheater. This will address the growing demand for varied free entertainment to include more concerts as well as continue the motorsports realignment that was so popular during this year's Fair.
2. **GROUNDS ENTERTAINMENT:** "Sea Lion Splash" is an exciting and one of a kind traveling sea lion exhibit which was first established when the producers began adopting and providing a home for sea lions that were unable to survive in the wild because of sickness, age, or injuries. It was a big success for the 2014 fair and will return in 2015. Additionally in 2015, Wild About Monkeys, an educational show featuring the funny antics of a variety of monkeys is expected to be a big draw. The feature exhibit will be Superhero Adventure with interactive activities and walk around heroes. It is sure to be a hit in a big Superhero movie release season. The Pirate's Parrot Exhibit and Walk on the Wild Side Exotic animal display will also return. The popularity of these exhibits has produced increased attendance at Fairs all across the United States and attracts Fair-goers that have never attended a Fair before.
3. **SPONSORSHIPS & CORPORATE PARTNERSHIPS:** Greater sponsor opportunities will be pursued with FSMG's new marketing staff. New inventories will be developed at all price levels for companies to get involved with the fair.
4. **CONTRACTS:** All contracts will again be reviewed to identify and achieve greater efficiencies as well as develop new corporate partners.
5. **SOCIAL MEDIA:** Social media promotions and cross-promotions with local companies will continue to be developed to dramatically increase the instant marketing reach of the Fair

D. MARKETING:

1. **WEBSITES**

New websites for both the Event Center and the Fair were introduced in 2014. Statistics from 2013 and industry trends confirmed that mobilization is the most important aspect of a website today. Therefore, modifications to structure and design of homepages and supporting pages were executed. These revamps were based on what the latest research proves are the most successful traits of the most visited and highest rated websites and by incorporating the philosophy "less is more". Users of the new sites found an intuitive and easy to navigate online experience that is as user-friendly on a smart device as on a PC. In 2015, updated technology will introduce new ways to engage with users through messaging, tours and contests as well as generate new revenue streams through sponsorship and vendor opportunities.

2. SOCIAL MEDIA

Continued growth in existing platforms will be the focus of the social media program in 2015. 2014 saw the expansion of the Fair's and Event Center's social media reach with a focus on Instagram and Pinterest to the established Facebook, Twitter and email-newsletter campaigns. These 5 different types of social/digital marketing garnered three first place awards at Fair conventions in 2013 for having diverse yet comprehensive programs. Awards for 2014 are still pending but based on inquiries from judges, awards should be expected for this 2014 year as well. Social media is the fastest way to communicate and reach target audiences. By diversifying the platforms, you create a dynamic way to keep engagement high while also offering sponsorship and vendor opportunities as desirable fulfillment products. 2015's social media plans are to increase presence and engagement with existing platforms and using them as a base to launch and promote, "blogs".

3. PUBLIC RELATIONS & GENERAL MARKETING

2015 will continue the tested strategy of a gradual build-up of excitement starting right at the beginning of the calendar year and of course peaking with the starting of the Fair. This will accomplish several goals set by the marketing team in that as we create press releases about what's new or coming to the Fair in 2014, the releases/articles will be slightly enhanced or edited to be featured in the Special Section of the Columbian. Examples of the topics that will be the focus of the press release are:

January-	Feature Attraction- Heroes at The Fair
February-	Sea Lion Splash is Back! & Pirate Parrots!!!
March-	Begin Concert Announce/On-Sale
April-	Continued Promotions of Concerts/New Rides
May-	Let's Monkey Around at The Fair
June-	Ready, Set...Race! Animals Races in Kids Park!
July-	General Marketing Begins

Additional featured topics will include focuses on the Fair's relationships with all the different non-profits connected to the Fair, new and/or different agricultural highlights, sponsors of the Fair, new food vendors or major marketplace vendors and acts and activities featured on The Columbian Community Stage.

Ongoing public relations campaigns include the very successful and effective Riverview Community Bank Clark County Fair Equestrian Court. With over 100 appearances scheduled including the 300-500 person coronation, (sold out in 2014 at 350 tickets), these girls make a fantastic impression for the Fair all over the County and outlying areas. The Fair Court will also have a major presence at Dozer Days being held for a second year in a row at the Fairgrounds.

Rotating scheduled marketing includes constant presence with a link on Columbian.com, constant presence with a link on the mobile version of Columbian.com, monthly ad on the front page of The Columbian and a monthly ad featured on the front page of the non-subscribers Tuesday publication produced by The Columbian.

A last example of ongoing or year-round advertising/marketing is the prominent I-5 billboard greeting northbound traffic entering Clark County. This billboard not only promotes all types of events being held at the Event Center, it acts as a type of "welcome mat" for folks that may be passing through or visiting America's Vancouver for the first time.

EXISTING LONG TERM MARKETING PROGRAMS

a) Local and Regional Publications: A Clark County Event Center advertisement will be found in the 2015 Book of Lists published by the Vancouver Business Journal. In addition, four local and regional professional organizations will highlight the facility

in their guides targeted to event, meeting and show planners. These include the Vancouver Regional Tourism Office, Travel Portland Magazine, Bravo Event Guide and Pacific NW Meeting Planner's Guide WEB ONLY, (by choosing the online presence only, over \$1500 was saved). Research shows that over 95% of event planners seek venues on the internet first.

b) Regular posting on Event Calendars: In 2015 we will regularly submit event calendar listings to visitors associations, online event calendars, such as CitySearch and Oregonlive.com. Local print publications and national event magazines will also be utilized to maximize public exposure to the Event Center.

c) Industry Networking: Portland Business Alliance, Travel Portland, Women In Networking Northwest (WIN NW), Vancouver Chamber of Commerce, Battleground Chamber of Commerce, The Bravo Trade Show, and a focus on evolving the relationship with the Vancouver Regional Tourism Office to develop leads will be major projects that will continue to be worked on in 2015.

4. E-MAIL DATABASE

2014 proved to be a year of what works when it comes to email marketing. Due to the popularity of email campaigns, a complete reevaluation of the existing email campaign resulted in a clean-up of email addresses in the data base and the creation of a thorough screening system to ensure all email addresses procured through whatever medium are in fact addresses that want to be contacted with news and information by the Fair and Event Center. This in combination with the "less is more" philosophy in the presentation of email content resulted in a much more reliable method of relaying news and opportunities for those that sign up. Additionally, by assuring all addresses have a genuine interest in the information they are receiving, the email campaign becomes a very valuable product used in sponsorship fulfillment. Plans for 2015 include maintaining the working processes and continuing education of the evolution of effective email marketing/advertising and communications.

5. THE COLUMBIAN AND OTHER CROSS-MARKETING

The amazing support both the Fair and Event Center receive from The Columbian will continue to evolve in 2015. Education and inspiration received at industry conferences like Washington State Fairs Association and International Association of Fairs and Exhibitions have resulted in multiple proposals that have already been presented. And, as always, The Columbian team's open-mindedness and enthusiasm promises to result in promotions, contests and features that are sure to inspire attendees to not only come to the Fair and happenings at the Event Center, but even participate in the fun!

The Columbian continues to enhance their participation and presence regarding the sponsorship of the Community Stage. The Columbian already generously honors a trade sponsorship for the naming rights of this stage. In 2015, and with the addition to the stage schedule of the very popular Pretty Baby Contest and the 4 different food eating contests, The Columbian will not only be highlighted greater within the Fair's advertising of this attraction, but The Columbian will create additional ads, contests and excitement through their own resources. This invaluable cross marketing is not only additional advertising for both parties but also great public relations impression.

Other examples of this type of cross-marketing will be evident in the relationships with TV and radio. By creating "ownership" opportunities through the year with events and during the Fair through different parts of the Fair, (i.e. carnival, marketplace, barns, grandstands, etc.), television and radio stations use their own resources, (on-air spots, email blasts, social media and appearances), to promote their participation. This results in literally tens-of-thousands of dollars in exposure and additional opportunities to be featured as news before, during and even after the Fair or respective event(s) are over. An example from 2014 would be the sponsorships of Sea Lion Splash by

KGW channel 8 and the carnival by KATU Channel 2. The longest cross-marketing sponsorship of this type is the KWJJ The Wolf Grandstands.

E. ISSUES/CONCERNS:

1. STATE FAIR FUND

As a result of the McCleary decision by the Washington State Supreme Court on fully funding basic education, the Governor asked for revised agency budgets that reflected a 15% reduction in general fund expenditures. The State Department of Agriculture reduction was \$5.2 million and they zeroed out the entire \$4 million Fair Fund allocation to help satisfy their reduction. The Fair Fund has been distributed yearly to all the Fairs and youth shows around the state to help support premiums and awards for entries and exhibits, educational programs and youth opportunities. The Clark County Fair relies on these funds to help offset over \$90,000 worth of premium expenses; and for several years has received the largest allocation of any individual Fair in the state based on our annual State Fairs Commissioner score and other factors. Loss of the Fair Fund will be devastating to many small Fairs that derive over 50% of their total budget income from the fund. The Washington State Fairs Association is organizing a state wide effort to have the Fair Fund re-inserted into the Governor's budget and if unsuccessful there, to communicate directly with legislators in the House and Senate to seek their support in putting the fund in their respective budgets.

2. BUDGET SHORTFALL BACKSTOP

The yearly activity and income of the Fair, the Exhibition Hall and the Equestrian Arena are great economic drivers to the County, but along with the yearly operations and maintenance costs of the Event Center, their combined income does not allow the center to stand financially on its own. With the Fair realizing a record setting profit in excess of \$500,000 in 2014, and that not producing an overall profitable bottom line for the center, the issue came into sharp focus during development of the 2015 budget. The Public Facilities District (PFD) yearly funding is designed to assist with this expected operational shortfall, but the reserve requirements of the PFD fund balance over the last few years and its obligations to other debt service haven't allowed the Event Center to take advantage of this resource. Virtually every other public assembly facility in the state relies on PFD funding, significant general funds, or other sources of assistance for significant parts of their yearly operating budgets.

In the absence of PFD funding, the Event Center instead has relied on the annual profits from the Fair and other events, along with some general fund support to the Exhibit Hall (that offsets the loss of PFD funding), to cover these expected operational shortfalls. The Fair profits, while healthy, are not able to fully cover these significant costs. Diversion of most of the Fair's profits in this manner has postponed addressing many items that need attention to keep the Fair healthy, competitive and in good repair. Other stable long term funding sources or cost controls need to be identified to be able to cover these anticipated operational shortfalls if the expectation remains that the Event Center is to become a stand-alone facility. Simply cutting the expenses or services will only put the Event Center in more of a competitive disadvantage compared to other competing facilities. There are options that will be explored in early 2015 that have the potential for significant cost reduction.