

DATE: November 17, 2005
TO: Board of County Commissioners
FROM: Fair Board
SUBJECT: Excess Transient Room Tax Extension

At the November 2 Joint Meeting, the Commission basically directed County Counsel to prepare a Board Order as follows:

- ❖ Extend the Excess Transient Room Tax commitment to the Fair Board as presently enshrined in Board Order #02-1-9-4;
- ❖ For an additional eight years beyond the current term, specifically FY08 - FY15; and,
- ❖ Cap the Excess TRT at \$900,000.

The Board Order on your agenda incorporates the above direction.

Subsequent to that Joint Meeting, two additional issues have been raised.

- ❖ First, County Administration requested the Fair Board clarify the practical implications of the proposed Board Order.
- ❖ Second, the Fair Board approved at its November 15 meeting a recommendation to the Commission that the proposed Excess TRT cap be indexed to compensate for inflation.

EXECUTIVE SUMMARY

The Fair Board greatly appreciates the Commission's intent to reauthorize the Excess TRT to FY15. This resource is absolutely critical to: 1) funding required capital projects and equipment replacement and 2) maintaining the Lane Events Center as a public service delivery entity.

In this memorandum, the Board will clarify how the Excess TRT works and the probable outcomes during the extension. Fair Board management has periodically advised the Board of the probable Excess TRT available once the 2002 Bond principle repayment commences. The Fair Board accepts the forecasted situation and fully intends to work within its parameters.

However, the Fair Board does want to point out that the following is likely to happen during this extension period so that all parties clearly understand the probable outcomes.

- ❖ This Board Order does not guarantee the Fair Board \$900,000 per year.

- ❖ The Fair Board may receive the full \$900,000 during the latter part of this extension period if the historical average annual TRT growth rate is sustained or exceeded.
- ❖ The Excess TRT will minimally address capital and equipment requirements and adequately address operating budget requirements.
- ❖ The backlog of capital requirements, etc. at the Lane Events Center will continue to increase as the site and facility ages.
- ❖ There is unlikely to be a “windfall” by capping the Excess TRT during this extension period, unless actual TRT growth rates significantly exceed the historical average annual TRT growth rate.

BACKGROUND

It is instructive to understand how the “Excess Transient Room Tax” works; and, what the Excess TRT has and will be used for during the term of the current and proposed Board Orders.

Excess TRT Formula

The Excess TRT formula is critical to implementation of the proposed Board Order and, in turn, the practical implications for the Fair Board. The Capital TRT is authorized by Lane Code 4.175(5). The formula is:

Base: Capital Transient Room Tax

Less: - \$190,000 to Florence Events Center

Less: - 2002 Revenue Bond Debt Service

Equals: = Excess Transient Room Tax
 =====

This is the formula that has been in place under Board Order #02-1-9-4 and it does not change under the proposed Board Order, except that the Excess TRT is capped at \$900,000.

Information regarding the implementation of the Excess TRT formula:

- ❖ Capital TRT — The amount of Capital TRT is dependent on the inventory of rooms, rooms used and room rates. The following illustrates the Capital TRT growth rates for a nine-year period:

| Fiscal Year | Capital TRT | Growth Rate |
|-------------|-------------|-------------|
| 97 | \$1,125,490 | — |
| 98 | \$1,186,038 | 5.4% |
| 99 | \$1,195,623 | 0.8% |

| | | |
|----|-------------|-------|
| 00 | \$1,273,345 | 6.5% |
| 01 | \$1,269,275 | -0.3% |
| 02 | \$1,321,759 | 4.1% |
| 03 | \$1,321,895 | 0.0% |
| 04 | \$1,362,469 | 3.1% |
| 05 | \$1,451,151 | 6.5% |

Overall, the TRT has been growing at an average annual rate of 3.26% for the past nine years.

- ❖ \$190,000 to Florence Events Center – Annual contribution until FY16.
- ❖ 2002 Bond Debt Service – The 2002 Bonds refinanced existing Fairgrounds debt and financed improvements to the Lane Events Center. The Bond repayment was structured as interest-only for the first five years, with principle payments beginning in 2007 and increasing in each subsequent year until the bonds are fully paid in FY22.

The following schedule depicts the debt service as contained in the Bond Indenture:

| Fiscal Year | Interest | Principle | Total |
|-------------|----------|-----------|---------|
| 02 | – | – | – |
| 03 | 467,637 | -0- | 467,637 |
| 04 | 350,728 | -0- | 350,728 |
| 05 | 350,728 | -0- | 350,728 |
| 06 | 350,728 | -0- | 350,728 |
| 07 | 350,728 | 245,000 | 595,728 |
| 08 | 340,928 | 270,000 | 610,928 |
| 09 | 330,128 | 295,000 | 625,128 |
| 10 | 318,328 | 320,000 | 638,328 |
| 11 | 305,528 | 345,000 | 650,528 |
| 12 | 291,210 | 375,000 | 666,210 |
| 13 | 275,272 | 405,000 | 680,272 |
| 14 | 257,656 | 435,000 | 692,656 |
| 15 | 238,080 | 470,000 | 708,080 |
| 16 | 216,460 | 505,000 | 721,460 |
| 17 | 192,978 | 545,000 | 737,978 |
| 18 | 167,090 | 585,000 | 752,090 |
| 19 | 139,010 | 630,000 | 769,010 |
| 20 | 108,456 | 680,000 | 788,456 |
| 21 | 75,136 | 730,000 | 805,136 |
| 22 | 39,000 | 780,000 | 819,000 |

The Fair Board has benefited during the first five years of the 2002 Bond during which no principle payments were made. However, beginning in 2007, the principle payment is activated and the amount available to the Fair Board will decrease by, as a first approximation, \$245,000 in that year.

- ❖ Excess TRT – The resultant of the formula, commonly called the “Excess TRT”, is what the Board receives for capital projects, equipment replacement, debt service and other Commission authorized uses. The following schedule shows the actual Excess TRT Received, Budgeted and Projected under the current Board Order.

| FISCAL YEAR | EXCESS TRT |
|--------------------|------------|
| 02 – Actual (a) | \$424,950 |
| 03 – Actual | \$611,895 |
| 04 – Actual | \$800,000 |
| 05 – Actual | \$915,423 |
| 06 – Budgeted (b) | \$900,000 |
| 07 – Projected (c) | \$655,000 |

NOTE:

- (a) In addition, \$890,500 from Reserve for Municipal Debt instrument.
- (b) The approved FY06 Budget is \$900,000. Based on FY05 actual receipts and TRT received during the first four months of FY06, a Supplemental Budget #1 request has been submitted to increase the Budget to \$1,000,000. The revised Budget amount of \$1,000,000 is optimistic; more likely \$950,000 – \$975,000.
- (c) Excess TRT projected based on first principle payment on 2002 Bond.

Use of Excess TRT

The two schedules attached illustrate the uses of the Excess TRT.

- ❖ SCHEDULE A – Excess Transient Room Tax, FY02 -07
- ❖ SCHEDULE B – Capital Improvement Projects, FY06-11

Schedule A depicts the Excess TRT received under Board Order #02-1-9-4 and the major expenditures by fiscal year; FY02-05 are actuals, FY06 is budgeted and FY07 is projected. The table below summarizes by fiscal year and major expenditure category the percentage use of Excess TRT:

EXCESS TRT USES BY MAJOR CATEGORY AND PERCENT OF EXPENDITURE-TYPE:

| | FY02-05A | FY06B | FY07P | FY02-07 |
|------------------|----------|-------|-------|---------|
| Capital Projects | 59 | 39 | 16 | 52 |
| Equipment | 10 | 15 | 21 | 12 |
| Debt Service | 19 | 15 | 12 | 18 |
| Operating | 12 | 31 | 51 | 18 |
| | 100% | 100% | 100% | 100% |

The preponderance of the Excess TRT goes toward asset-related expenditures. The major capital projects that have been funded partially or wholly by Excess TRT include the Summer Stormwater Collector System, Reroof of Events Center and Expo Buildings and Ice Center Remodel.

Schedule B is a Capital Improvement Program for FY06-11. The Board prepares a six-year forecast of asset-type and non-asset uses of the Excess TRT. The CIP is generally updated biennially. The CIP attached was prepared in the fall of 2005 and is for the six-year period ending in FY11. The first five years of the CIP, FY06-10, is based on realistic revenue projections. FY11 is a "catch-all" or "placeholder" year that captures the entire list of requirements identified when this CIP was prepared but could not be funded in the first five-years. The requirements are many times the available Excess TRT. The first year, FY06, was essentially incorporated into the approved FY06 Budget that you reviewed last spring.

As depicted in FY07-10, the uses of the Excess TRT will be similar to the actual and budgeted uses in FY02-06. As discussed above, this CIP does not take into consideration the fact that the Commission is contemplating extending the Excess TRT authorization to 2015 nor does it include redevelopment of existing facilities or construction of new facilities. The point is that similar types of uses as evidenced in Schedules A and B will be indentified for the FY11-15 period.

FORECASTS UNDER PROPOSED BOARD ORDER

Staff prepared a number of high-level, simulations of the Excess TRT for the term of the proposed Board Order. Basically, as the formula indicates, the "givens" are the \$190,000 to the Florence Events Center and 2002 Bond payments contained in the Indenture; the variable is the amount of Capital TRT; and, thus, the resultant is the Excess TRT.

Schedules C – E provide six scenarios for the Excess TRT during the FY08-15 period. Basically, the scenarios differ by the “base year” Capital TRT and the growth rate used:

| SCHEDULE | BASE YEAR | GROWTH RATE |
|----------|-------------|-------------|
| C 1 | \$900,000 | 0% (a) |
| C 2 | \$1,000,000 | 0% (a) |
| D 1 | \$900,000 | 3.3% (b) |
| D 2 | \$1,000,000 | 3.3% (b) |
| E 1 | \$900,000 | 5.0% (c) |
| E 2 | \$1,000,000 | 5.0% (c) |

NOTE:

- (a) Worst case.
- (b) Probable case; actual average annual growth rate for past nine years
- (c) Best case

The “base year” of either \$900,000 or \$1,000,000 relates to the amount of Excess TRT received in FY06 and whether it carries-forward to FY07, which becomes the base year. The “best case” scenarios assume one or several favorable increases in the inventory of rooms, room nights used and average room charge to result in a growth rate greater than the historical average. As with any type of projection, the first couple of years have a greater level of confidence than the outer years. The conclusion is that the Excess TRT will probably not exceed the \$900,000 cap in the proposed Board Order until midway through the extended term.

The issue of a “windfall”, other than that generated by extraordinary TRT growth rates, may occur after the term in the proposed Board Order. Specifically, after the completion of current commitments: FY16, when the Florence Events Center obligation is completed and FY23, when the 2002 Bonds are fully paid.

ISSUE

The facet that was overlooked when the Commission passed the motion on November 2 was whether the cap is fixed at \$900,000 or whether the \$900,000 cap should be indexed to an inflation factor to compensate for the loss of purchasing power during the eight-year term. For example, if the inflation rate is 3% per year during the eight year period, the \$900,000 in FY08 loses approximately \$250,000 in purchasing power by the end of the term.

There are two approaches the Commission can take on this issue:

- ❖ Adopt the proposed Board Order with a fixed cap of \$900,000.
- ❖ Adopt the proposed Board Order and index the \$900,000 cap to the CPI-U, U. S. City-Average.

As depicted in the forecast models, it is unlikely that the \$900,000 cap will be reached until the later years of the extended term. Notwithstanding the forecasts, the Fair Board wanted to ensure that the Commission did factor into your final deliberations the technical issue of loss of purchasing power with a fixed cap and that a methodology exists to mitigate this issue. The purpose in requesting the indexing is to preclude this from becoming an issue in the future, establish a request record for indexing and set a positive precedent for the allocation of the Excess TRT.

RECOMMENDATION

The Fair Board recommends the Commission add an inflation indexing provision to the proposed Board Order to mitigate the impact of inflation over the proposed term.

MOTION: Adopt the proposed Board Order and index the \$900,000 cap on the Excess TRT to the CPI-U, US City Average and adjust the cap annually.

ATTACHMENTS – 8

**Lane County Fair Board
Excess Transient Room Tax
FY 02-07**

Schedule A

| | Actuals 2001-02 | Actuals 2002-03 | Actuals 2003-04 | Actuals 2004-05 | Budget 2005-06 | Projected Budget 2006-07 | CIP FY 08-11 |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|-----------------------------|--------------------|
| SOURCES | | | | | | | |
| <i>Carryover</i> | (54,317) | 232,806 | (354,728) | (284,728) | (214,728) | (104,728) | (50,000) |
| Beginning Balance | | | | 57,935 | 92,860 | 50,000 | 100,000 |
| Transient Room Tax | 424,950 | 611,895 | 800,000 | 915,423 | 900,000 | 655,000 | |
| 2002 Bond Proceeds | 890,500 | | | | | | |
| City of Eugene | 50,000 | | | | | | |
| EWEB Loan/Grant (Ice Arena) | 304,228 | | | | | | |
| RIB Grant Reclassified to Capital | 81,607 | | | | | | |
| PCB - Floor Scrubber | | 36,838 | - | - | | | |
| Capital Line of Credit | | 191,820 | | | | | |
| Interest Earned | 4,993 | 1,985 | 1,693 | 3,018 | 3,000 | 3,000 | |
| Total Sources | 1,701,961 | 1,075,145 | 446,965 | 691,648 | 781,132 | 603,272 | 50,000 |
| REQUIREMENTS | | | | | | | |
| Land & Improvements | | | | | | | |
| <i>Stormwater Project</i> | | | | | | | |
| Base Bld - Eugene Sand & Gr | 410,272 | 220,728 | | | | | |
| Alt. #1 - N. Livestock Pavilion | | 247,036 | | | | | |
| Alt. #2 - N. Expo Buildings | | 168,236 | | | | | |
| Engineering - CMG/URS | 110,656 | 21,198 | | | | | |
| Electrical, Walls, Panels/FB | 15,954 | 84,046 | | | | | |
| Contingency | | | | | | | |
| <i>Community Green</i> | 4,294 | 7,568 | 4,939 | 4,323 | 5,000 | | |
| <i>Parking Lot Electrical Upgrades</i> | | 42,217 | 18,532 | | | | |
| <i>Parking Lot Repave/Striping</i> | | | | | | | |
| <i>Other Land Improvements</i> | 88,499 | 9,954 | 47,361 | 29,532 | 5,000 | | |
| Total Land/Improvements | 629,675 | 800,983 | 70,832 | 33,855 | 5,000 | - | 1,215,000 |
| Buildings & Improvements | | | | | | | |
| <i>Convention Center (Re-roof)</i> | | | | | | | |
| Convention Center | 221,310 | 199,726 | | 29,354 | 26,000 | 11,150 | |
| Ice Arena (Energy Retrofit) | 289,915 | | | | | | |
| Ice Arena | | 1,371 | 29,735 | 131,656 | 141,604 | | |
| Expo Buildings (Re-roof) | | 15,672 | 193,453 | | | | |
| Expos Buildings | 24,659 | | | | 21,500 | | |
| Other Bldgs. Improvements | 56,396 | 58,949 | 20,149 | | 10,000 | 20,000 | |
| Total Bldgs. Improvements | 370,970 | 275,718 | 243,337 | 161,010 | 199,104 | 31,150 | 2,592,945 |
| Machinery & Equipment | 172,665 | 53,107 | 20,707 | 166,088 | 153,231 | 151,873 | 326,477 |
| Debt Service | | | | | | | |
| <i>Conv. Ctr. Energy Loan</i> | 56,947 | 56,948 | 56,253 | 56,951 | 56,948 | 56,948 | |
| <i>Ice Energy Loan</i> | 17,788 | 21,797 | 21,911 | 21,220 | 21,217 | 21,217 | |
| <i>Capital Line of Credit</i> | | 197,204 | | | | | |
| <i>Backflow Preventor Loan</i> | | 8,038 | | | | | |
| <i>Equipment Loan</i> | | 16,078 | 16,796 | 16,796 | 16,796 | 4,056 | |
| <i>TRT Special Projects Loan</i> | | | 150,000 | 95,423 | 44,577 | | |
| <i>SDC Note Service</i> | | | 9,043 | 3,014 | 6,028 | 6,028 | |
| Total Debt Service | 74,735 | 300,065 | 254,003 | 193,404 | 145,566 | 88,249 | 303,300 |
| Contingency | | | | | 22,959 | 25,000 | 100,000 |
| Deficit Carryforward from Previous FY | | | 70,000 | 70,000 | 110,000 | 54,728 | 50,000 |
| Operating Cash Reserves | | | | 182,935 | 125,000 | 125,000 | 125,000 |
| Capital Reserves | | | | | 50,000 | 100,000 | 200,000 |
| Administration | | | | | 60,000 | 7,000 | 19,000 |
| Operating Subsidy | | | 192,065 | 125,000 | 125,000 | 125,000 | 1,000,000 |
| Total Requirements | 1,469,355 | 1,429,873 | 853,944 | 932,293 | 995,860 | 708,000 | 5,931,722 |
| Carryover | 232,606 | (354,728) | (406,979) | (240,644) | (214,728) | (104,728) | (5,881,722) |

| Capital Improvement Projects by Department 1/6/2005 | | UNFUNDED | | | | | | | |
|---|----------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|--|
| Administration | 2005 C/O | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Total | |
| Capital Projects | | | | | | | | | |
| Contingency | | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 150,000 | |
| Debt Service | | 155,174 | 84,182 | 84,192 | 70,910 | 11,587 | 1,121 | 407,176 | |
| Deficit Carry Forward from Previous Fiscal Year | | 110,000 | 80,000 | | | | | 190,000 | |
| Facilities, Site and Equipment Rehabilitation | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 60,000 | |
| Operating Budget Transfer | | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,500,000 | |
| Project Planning, Design Administration | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 30,000 | |
| Reserve Account | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 300,000 | |
| Capital Subtotal | | 605,174 | 504,192 | 424,192 | 410,910 | 351,587 | 341,121 | 2,637,176 | |
| Equipment | | | | | | | | | |
| Event Planning Software | | | | 8,000 | | | | 8,000 | |
| Exhibit Entries Software | | | 5,000 | | | | | 5,000 | |
| PC/Server Replacement Plan | | 2,000 | 2,000 | 2,000 | 3,000 | 3,000 | 3,000 | 15,000 | |
| Plotter and Laminator | | 6,000 | | | | | | 6,000 | |
| Equipment Subtotal | | 8,000 | 7,000 | 10,000 | 3,000 | 3,000 | 3,000 | 34,000 | |
| Total Administration | | 663,174 | 511,192 | 434,192 | 413,910 | 354,587 | 344,121 | 2,671,176 | |
| Operations | | | | | | | | | |
| Capital Projects | | | | | | | | | |
| Atrium Carpet Replacement | | | 20,000 | | | | | 20,000 | |
| Auditorium Upgrade - Interior | | | | | | | 123,000 | 123,000 | |
| Auditorium/Admin. Offices - Exterior Paint | 10,000 | 10,000 | | | | | | 10,000 | |
| Auditorium/Wheeler Exterior Flat Surfaces | | | | | | | 527,000 | 527,000 | |
| Community Green | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 285,647 | 310,647 | |
| Courtyard Lighting | | | | | | | 12,300 | 12,300 | |
| Event Center Lobby Lighting | Done | | | | | | | - | |
| Event Center - Paint Lower Stucco | | | 11,150 | | | | | 11,150 | |
| Event Center Power Upgrade | | | | 78,000 | | | | 78,000 | |
| Exhibit Hall Restrooms | | | | | | 190,000 | | 190,000 | |
| Expo 5 Insulation Netting | | | | | | | 25,000 | 25,000 | |
| Expo 7 Sewer and Water | | 17,000 | | | | | | 17,000 | |
| Expo 2, 4 and 6 Restrooms | | | | | | | 207,000 | 207,000 | |
| Expo 2 Water Pipe Replacement | | 4,500 | | | | | | 4,500 | |
| Expo Structural Rehab | | | | | | | 225,000 | 225,000 | |
| Facility Exterior Signage | | | | 12,623 | 12,198 | 10,179 | 25,000 | 60,000 | |
| Lighting, Event Center, West | | 6,000 | | | | | | 6,000 | |
| Livestock Building Insulation Netting | | | | | | | 25,000 | 25,000 | |
| Livestock Building Painting (Interior/Exterior) | | | | | | | 27,000 | 27,000 | |
| Lock and Door System | | | | | | | 193,000 | 193,000 | |
| Paint Trusses-Exhibit Hall | | | | | | | 25,000 | 25,000 | |
| Paint Trusses-Performance Hall | | | | | | | 15,000 | 15,000 | |
| Parking Lot Repave and Striping | | | | | | | 616,000 | 616,000 | |
| Pave Northwest Lot | | | | | | | 589,000 | 589,000 | |
| Wheeler Pavilion HVAC | | | | | | | 380,000 | 380,000 | |
| Wheeler Pavilion Paint Exterior | | | | 7,100 | | | | 7,100 | |
| Wheeler Pavilion Re Roof | | | | | | | 190,000 | 190,000 | |
| Wheeler Pavilion Upgrade | | | | | | | 224,000 | 224,000 | |
| Capital Subtotal | 10,000 | 42,500 | 36,150 | 102,723 | 17,198 | 205,179 | 3,713,947 | 4,117,697 | |
| Equipment | | | | | | | | | |
| Banquet Table Skirting | | 3,000 | | | | | 4,000 | 7,000 | |
| Banquet Tables | | 16,700 | 11,700 | 16,700 | 16,680 | 5,000 | | 66,780 | |
| Classroom Tables | | 6,400 | | | | | | 6,400 | |
| Electric Carts | | | | 7,800 | | | | 7,800 | |
| Event Center Chairs | | 21,335 | 14,708 | 21,335 | 27,962 | | | 85,340 | |
| Exhibitor Tables | | 25,070 | 20,000 | 15,000 | 20,000 | 10,950 | 24,000 | 115,020 | |
| Fair Exhibit Department Equipment | | 20,000 | 20,000 | 15,000 | 20,000 | 12,284 | 33,716 | 121,000 | |
| Food Service Equipment | | 12,500 | 15,500 | 15,000 | 15,000 | 10,000 | 21,000 | 89,000 | |
| Gutters | | | 5,000 | | | | | 5,000 | |
| Person Lift | | | | | | | 42,000 | 42,000 | |
| Pickup Truck | | | 15,000 | | | | | 15,000 | |
| Pipe and Drape | | | | 3,500 | | | 4,000 | 7,500 | |
| Scissor Lift | | | | | | | 21,000 | 21,000 | |
| Stage | | | 22,000 | | | | | 22,000 | |
| Trash Cans | | 1,651 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 11,651 | |
| Equipment Subtotal | | 106,656 | 125,908 | 96,335 | 101,642 | 40,234 | 151,716 | 622,491 | |
| Total Operations | | 116,656 | 162,058 | 199,058 | 118,840 | 245,413 | 3,865,663 | 4,740,188 | |

| Ice/Sports | UNFUNDED | | | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | |
| Capital Projects | | | | | | | |
| HVAC for Ice Center Lobby | | | | | | 40,000 | 40,000 |
| Ice Center Elevator | | | | | | 40,000 | 40,000 |
| Ice Center Exterior Paint | | | | 20,500 | | | 20,500 |
| Ice Center Reroof | | | | | | 47,045 | 47,045 |
| Ice Center Restrooms | | | | | 40,000 | | 40,000 |
| Ice Center Signage | | | | 5,000 | | | 5,000 |
| Locker Rooms | 145,000 | | | | | | 145,000 |
| Lunch Counter and Eating Area | | | | | | 7,000 | 7,000 |
| Remodel of front of Ice Lobby | | | | | | 50,000 | 50,000 |
| Capital Subtotal | 145,000 | - | - | 25,500 | 40,000 | 184,045 | 394,545 |
| Equipment | | | | | | | |
| Color Lights for Ice Arena | | | | 5,000 | | | 5,000 |
| Heaters for Spectators at Ice Arena | | | | | | 21,000 | 21,000 |
| Ice Center Perimeter Doors | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | | 50,000 |
| Ice Center Security Cameras | | | | | | 8,000 | 8,000 |
| Ice Resurfacers | | | | 70,000 | | | 70,000 |
| Rental skates | 6,750 | 6,750 | 6,750 | 6,750 | | | 27,000 |
| Rubber floor matting | 3,700 | 10,000 | 10,000 | 10,000 | 10,000 | 80,000 | 123,700 |
| Equipment Subtotal | 20,450 | 26,750 | 26,750 | 101,750 | 20,000 | 109,000 | 304,700 |
| Total Sports | 165,450 | 26,750 | 26,750 | 127,250 | 60,000 | 293,045 | 699,245 |
| Grand Total | 927,780 | 700,000 | 660,000 | 660,000 | 660,000 | 4,502,829 | 8,110,609 |

**Fair Board
 Excess TRT Forecast
 Base Year \$900,000
 Growth Rate 0%**

Schedule C1

| | Base Year | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Capital TRT | 1,440,728 | 1,440,728 | 1,440,728 | 1,440,728 | 1,440,728 | 1,440,728 | 1,440,728 | 1,440,728 | 1,440,728 |
| Less: | | | | | | | | | |
| Florence Events Center | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Less: | | | | | | | | | |
| 2002 Bond Debt Service | 350,728 | 610,928 | 625,128 | 638,328 | 650,528 | 666,210 | 680,273 | 692,655 | 708,080 |
| Excess TRT | 900,000 | 639,800 | 625,600 | 612,400 | 600,200 | 584,518 | 570,455 | 558,073 | 542,648 |

Fair Board

Excess TRT Forecast

Base Year \$1,000,000

Growth Rate 0%

Schedule C2

| | Base Year | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Capital TRT | 1,540,728 | 1,540,728 | 1,540,728 | 1,540,728 | 1,540,728 | 1,540,728 | 1,540,728 | 1,540,728 | 1,540,728 |
| Less: | | | | | | | | | |
| Florence Events Center | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Less: | | | | | | | | | |
| 2002 Bond Debt Service | 350,728 | 610,928 | 625,128 | 638,328 | 650,528 | 666,210 | 680,273 | 692,655 | 708,080 |
| Excess TRT | 1,000,000 | 739,800 | 725,600 | 712,400 | 700,200 | 684,518 | 670,455 | 658,073 | 642,648 |

**Fair Board
 Excess TRT Forecast
 Base Year \$900,000
 Growth Rate 3.3%**

Schedule D1

| | Base Year | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Capital TRT | 1,440,728 | 1,488,272 | 1,537,385 | 1,588,119 | 1,640,527 | 1,694,664 | 1,750,588 | 1,808,357 | 1,868,033 |
| Less: Florence Events Center | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Less: 2002 Bond Debt Service | 350,728 | 610,928 | 625,128 | 638,328 | 650,528 | 666,210 | 680,273 | 692,655 | 708,080 |
| Excess TRT | 900,000 | 687,344 | 722,257 | 759,791 | 799,999 | 838,454 | 880,315 | 925,702 | 969,953 |

Fair Board

Excess TRT Forecast

Base Year \$1,000,000

Growth Rate 3.3%

Schedule D2

| | Base Year | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Capital TRT | 1,540,728 | 1,591,572 | 1,644,094 | 1,698,349 | 1,754,395 | 1,812,290 | 1,872,095 | 1,933,874 | 1,997,692 |
| Less: | | | | | | | | | |
| Florence Events Center | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Less: | | | | | | | | | |
| 2002 Bond Debt Service | 350,728 | 610,928 | 625,128 | 638,328 | 650,528 | 666,210 | 680,273 | 692,655 | 708,080 |
| Excess TRT | 1,000,000 | 790,644 | 828,966 | 870,021 | 913,867 | 956,080 | 1,001,822 | 1,051,219 | 1,099,612 |

**Fair Board
 Excess TRT Forecast
 Base Year \$900,000
 Growth Rate 5%**

Schedule E1

| | Base Year | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Capital TRT | 1,440,728 | 1,512,764 | 1,588,403 | 1,667,823 | 1,751,214 | 1,838,775 | 1,930,713 | 2,027,249 | 2,128,611 |
| Less: | | | | | | | | | |
| Florence Events Center | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Less: | | | | | | | | | |
| 2002 Bond Debt Service | 350,728 | 610,928 | 625,128 | 638,328 | 650,528 | 666,210 | 680,273 | 692,655 | 708,080 |
| Excess TRT | 900,000 | 711,836 | 773,275 | 839,495 | 910,686 | 982,565 | 1,060,440 | 1,144,594 | 1,230,531 |

**Fair Board
 Excess TRT Forecast
 Base Year \$1,000,000
 Growth Rate 5%**

| | Schedule E2 | | | | | | | | | | |
|------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|
| | Base Year | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | | |
| Capital TRT | 1,540,728 | 1,617,764 | 1,698,653 | 1,783,585 | 1,872,765 | 1,966,403 | 2,064,723 | 2,167,959 | 2,276,357 | | |
| Less: | | | | | | | | | | | |
| Florence Events Center | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Less: | | | | | | | | | | | |
| 2002 Bond Debt Service | 350,728 | 610,928 | 625,128 | 638,328 | 650,528 | 666,210 | 680,273 | 692,655 | 708,080 | | |
| Excess TRT | 1,000,000 | 816,836 | 883,525 | 955,257 | 1,032,237 | 1,110,193 | 1,194,450 | 1,285,304 | 1,378,277 | | |

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

ORDER NO. 05-12-

) IN THE MATTER OF EXTENDING THE
) USE OF TRANSIENT ROOM TAX
) FUNDS FOR CAPITAL IMPROVEMENTS
) AT THE LANE COUNTY FAIRGROUNDS
)

WHEREAS, in 2002, pursuant to LC 4.175(5) the Board of Commissioners approved the use of excess transient room tax revenues for capital improvements for a period beginning with the refinancing of certain debt and ending June 30, 2007, to be used for capital projects pursuant to the Fairgrounds Capital Improvements Plan (Board Order No. 02-1-9-4), and

WHEREAS, the Fair Board and the Board of Commissioners met on November 2, 2005 to discuss continuation of that commitment in a manner consistent with the Board of Commissioners' action on September 13, 2005 expressing its intent to not sell the Lane County Fairgrounds within the next 10 years, and

WHEREAS, after due consideration, the Board of Commissioners is willing to express an intent to authorize continuation of a specified amount off excess transient tax revenues for that period,

NOW, THEREFORE IT IS HEREBY ORDERED that it is the Board of County Commissioners' intent that any excess transient room tax revenues, as provided by Lane Code 4.175(5) and as determined by the Department of Management Services, but not to exceed \$900,000 annually, be made available for transfer to the Fair Board for the period beginning July 1, 2007 through June 30, 2015, to be used for capital projects pursuant to the Fairgrounds Capital Improvements Plan.

DATED this _____ day of _____, 2005.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM
Date 11/29/05 Lane County
Jessica J. Smith
OFFICE OF LEGAL COUNSEL