



AGENCY OF AGRICULTURE, FOOD & MARKETS
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The Vermont Building at The Eastern States Exposition



2015 Annual Report

Vermont Building at the Eastern States Exposition (Big E)

Vermont Building & Eastern States Expo Overview

Joshua L. Brooks founded the Eastern States Exposition (ESE), home of The Big E, in 1916 when he persuaded the National Dairy Show to hold its annual event on the grounds in West Springfield, Massachusetts. Brooks' desire was to bring together all six New England states in one location to share ideas and improve regional agriculture. Nearly a century later, the Big E is the fifth largest fair in the country and the Vermont building along the Avenue of the States, is a prominent destination for all fair-goers.

In 1926 the Vermont Building was constructed for \$60,500. The building showcases the authenticity, quality, and spirit of Vermont. Each year, companies from across Vermont head down to West Springfield to exhibit their products with fair-goers who appreciate the high-quality products on sale in the Vermont Building. For 17 days each September, the building is a feast for the senses, from the sweet smell of hot cider donuts to the soft texture and vivid colors of authentic Vermont flannel.

2015 Eastern States Exposition Summary

In 2015, **29 Vermont companies** shared their products with more than **1 million Vermont building visitors** through the 17-day fair. These visitors helped the Vermont building surpass the sales records set in 2013, with a total of **\$1.68 million of Vermont products sold**. Vermont Day was held at the building on Saturday September 26th and many of the Vermont Trustees were in attendance for a morning breakfast and celebration. Harvest New England Day, held on Friday October 2nd, offered a free opportunity for Vermont businesses to sell in front of the Vermont Building. In addition, the building featured live entertainment from 8 Vermont bands throughout the 17-day fair.

2015 Full Time Exhibitors

Exhibitor	Town	County
Vermont Cookie Love	North Ferrisburgh	Addison
Vermont Soap Company	Middlebury	Addison
Vermont Hand Crafters	Williston	Chittenden
Vermont Teddy Bear	Shelburne	Chittenden
Vermont Clothing Company	St. Albans	Franklin
Johnson Woolen Mills	Johnson	Lamoille
Vermont Prime Emu	Newbury/Brandon	Orange/Rutland
Vermont Maple Sugar Makers	Statewide	Statewide
Vermont Cheese	Statewide	Statewide
Cold Hollow Cider	Waterbury	Washington
Vermont Flannel	Barre	Washington
American Flatbread	Waitsfield	Washington
Ben & Jerry's	Waterbury	Washington
Vermont Smoke & Cure	Barre	Washington
Danforth Pewter	Waterbury	Washington

Halladay's Harvest Barn	Bellows Falls	Windham
Bear's Den Carving	Townshend	Windham
Long Trail Brewing	Bridgewater Corners	Windsor

2015 Rotating Exhibitors

Exhibitor	Town	County
Bruce Baker Studio	Middlebury	Addison
Champlain Orchards*	Shoreham	Addison
Rockville Market Farm	Starksboro	Addison
Gringo Jack's*	Manchester Ctr	Bennington
Mother Myrick's	Manchester Ctr	Bennington
The Village Peddler	East Arlington	Bennington
Hall Home Place*	Isle La Motte	Grand Isle
Vermont Bee Balm	Craftsbury	Orleans
Chris Jeffrey Stained Glass	Barre	Washington

*new in 2015

2015 Harvest Day New England Exhibitors

Exhibitor	Town	County
Vermont Kale Chips	Hardwick	Caledonia
Sugar Bob's Smoked Maple Syrup	Londonderry	Windham

Vermont Building Annual Budget

The budgetary goal for the Vermont Building is to maintain an investment reserve fund with a funding floor of \$100,000. This fund is to be used with the Department of Buildings & General Services (BGS) for re-investment into the Vermont Building on an annual basis.

Item	FY 2012	FY 2013	FY 2014	FY 2015	FY2016
Expenses	\$ (127,610.00)	\$ (73,820.00)	\$ (171,313.00)	\$ (122,715.00)	\$ (156,358.00)*
Revenue	\$ 153,553.00	\$ 159,961.00	\$ 174,735.00	\$ 181,883.00	\$ 188,823.00
Net Income	\$ 25,943.00	\$ 86,141.00	\$ 3,422.00	\$ 59,167.00	\$ 32,378.00
Reserve Fund Investment	\$ 0	\$ (125,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)
Reserve Fund Balance	\$ 135,463.00	\$ 96,604.00	\$ 80,026.00	\$ 119,193.00	\$ 131,658.00

*Budgeted

Vermont Building Operating Expenses

The building requires vital Vermont Agency of Agriculture, Food & Markets (VAAFAM) staff time in addition to the work of a full time building manager. Specific activities carried out by VAAFAM include: administering the competitive process for exhibitor contracts, communicating with Eastern States Exposition senior management and the Vermont ESE Trustees, coordinating building repairs and maintenance projects with BGS, hiring/supervising a building manager who oversees on-site activity for the duration of the Big E, marketing, promotion and budget management. Building utilities, custodial and entertainment contracts, advertising costs and BGS space fee round out the annual expenses for the Vermont Building.

Vermont Building Revenue

Each exhibitor is contractually bound to pay a commission to VAAFAM based on gross sales realized from its retail space in the Vermont Building. Exhibitors pay a percentage fee based on volume of sales. The commission received from the building since 2011 is shown here:

Fiscal Year	2012	2013	2014	2015	2016
Gross Sales	\$ 1,324,633.00	\$ 1,426,647.00	\$ 1,688,433.00	\$ 1,744,202.00	\$ 1,684,917
Total Commission	\$ 153,553.00	\$ 159,961.00	\$ 174,735.00	\$ 181,883.00	\$ 188,823
Average Rate	12%	11%	10%	10%	11%

Financial Sustainability

In 2015, VAAFAM performed a thorough review and research of the current sales commission structure. It was determined that the sliding fee structure did not produce sufficient revenue to cover operating expenses as well as the annual need to re-invest in maintenance and repairs for the building. It was found that the existing commission rate structure was below industry standard. In addition, the sliding fee structure was not equitable for all vendors and AAFM concluded that a flat fee of 13% would ensure equity among vendors, cover operational expenses, and allow for annual reinvestment into the building. This fee increase went into effect for the 2015 fair.

To implement the fee increase among existing vendors in the building, VAAFAM decided to make the change over a three-year period. In 2015, the commission was 11%, it will rise one percent in 2016 and 2017 respectively to end at 13%.

Additionally, VAAFAM has sought to maximize the interior layout of the building through redesigning booth layouts, creating space for additional vending. Moreover, a Request for Proposal for an Architect to design a Landscaping Master Plan was put out to bid by the Department of Buildings and General Services in February 2016. Through this solicitation BGS has contracted with Arnold & Scangas of St. Albans to design landscaping improvements, signage, wayfinding and otherwise improve the presence of the Vermont brand inside and outside the building. This master plan will add up to 3 additional vending spaces around the exterior of the building, in addition to adding space for state Agency outreach.

Vermont Building Repairs & Maintenance

2014 – 2015 Completed Projects	
Description	Total Cost
Restore Cupola Windows	\$8,400
Electrical branch circuits	\$86,055
New Mechanical Ventilation System	\$113,860
Restore Office Wood Floors	\$5,000
Paint Ceiling	\$17,100
Misc Carpentry	\$3,809
Rear Lawn Drainage	\$5,327
Fire alarm system upgrade:	\$26,882
Total Cost:	\$266,433

2016-2017 Projects	
Description	Cost
Slate Roof Restoration / Valley Replacement	\$16,900
Landscaping Master Plan	\$250,000
Miscellaneous HVAC	\$15,000
Upper Hallway Renovation	\$30,000
Masonry & Balcony Restoration	\$72,000
Exterior Painting	\$20,000
Total Cost:	\$403,900

Future Projects	
Description	Cost
Restore Rear Doors & Window Transom	\$25,000
Window Restoration	\$50,000
Reguild Domes	\$24,500
Total Cost:	\$99,500

Closing Summary

The Vermont Building at Eastern States Exposition offers a unique opportunity for Vermont businesses to access a large consumer market. These businesses come together each September to form a Vermont brand and experience to over 1 million regional consumers. For some consumers, it may be their first interaction with Vermont while for others it could be a re-acquaintance with great memories of the Green Mountain state. The Big E offers these businesses and our state outstanding access to those who will become lifelong consumers of our products, our recreation and tourism, and most importantly, the Vermont brand. The significance of this building in contributing to the success of our businesses and state should not go unrecognized.

Contact

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Statutory Authority and Oversight

VAAFM and BGS manage the Vermont building as described in **10 VSA Chapter 5:**

§ 51. Vermont building

The secretary of agriculture, food and markets is hereby invested with the management and control of the operation and affairs of the Vermont building at Eastern States Exposition. The secretary shall cooperate with public and private agencies for the purpose of exhibiting the resources, products, and general development of the state of Vermont and for advertising its agricultural, industrial and recreational possibilities.

§ 52. Maintenance

The department of buildings and general services shall be responsible for the maintenance of the land and buildings and repair and alterations of the physical structure including adequate coverage by insurance.

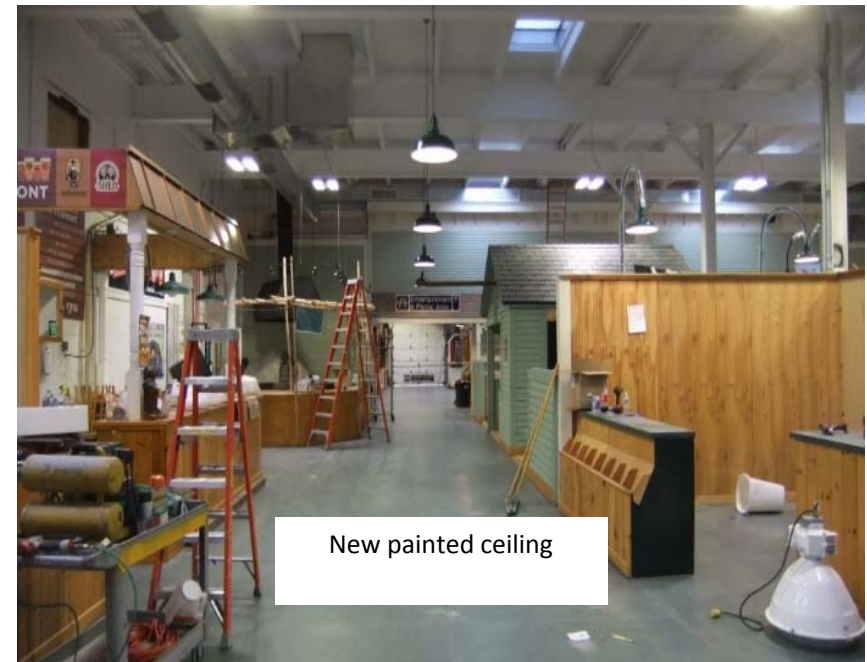
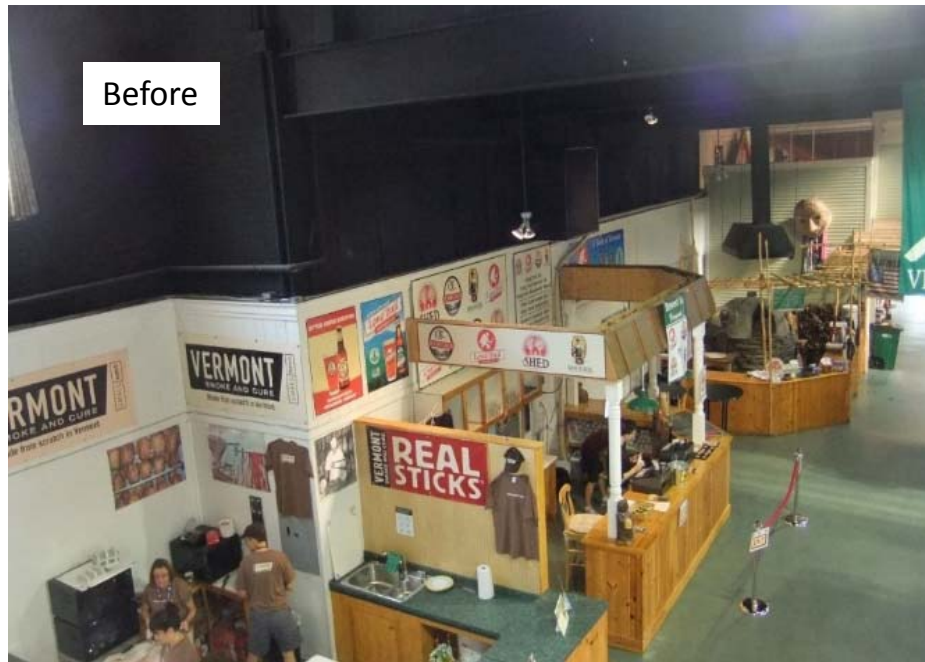
§ 53. Assistants

The secretary may, with the approval of the governor, employ such persons to carry out the operation of such building, including the rental or lease or sale of rental or exhibition space of any portion of such building upon such terms and conditions as the secretary shall determine.

§ 54. Rental of building; disposition of funds

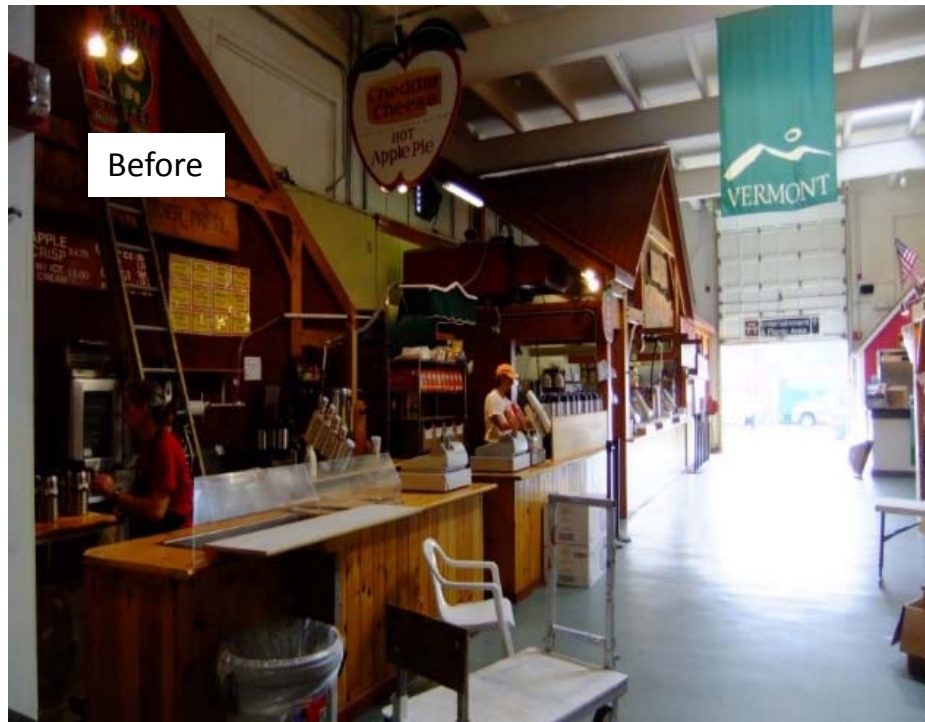
The secretary may rent the building or parts thereof for exhibition purposes to available exhibitors with reasonable preference being given to exhibitors from this state and, with the approval of the governor, may rent or lease any part or all of the building to such parties and upon such terms and conditions and for such purposes as they shall determine to be in the best interests of the state, and the income therefrom shall be paid to the state treasurer and held by him or her in a separate fund for the purposes of this section and sections 51 and 53 of this title. The commissioner of finance and management shall issue his or her warrant for the payment from such fund of all sums expended or due for the purposes herein authorized.

Vermont Building Construction Update



4/18/2016

Vermont Building Construction Update



4/18/2016

Vermont Building Construction Update



New lighting



New ventilation & lighting

4/18/2016