



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.

The Big E offers a unique opportunity for Vermont businesses to access a large consumer market. 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. Eastern States 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.

2015 Eastern States Exposition Summary

2015 was another great year for the Vermont Building. After a record breaking year in 2014, poor weather conditions dropped total fair attendance 10%, however building revenue was only down 3.5%. In total, **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 gross **\$1.68 million in total sales**. In addition, four new vendors were introduced to the Vermont Building and the building featured live entertainment from eight 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.

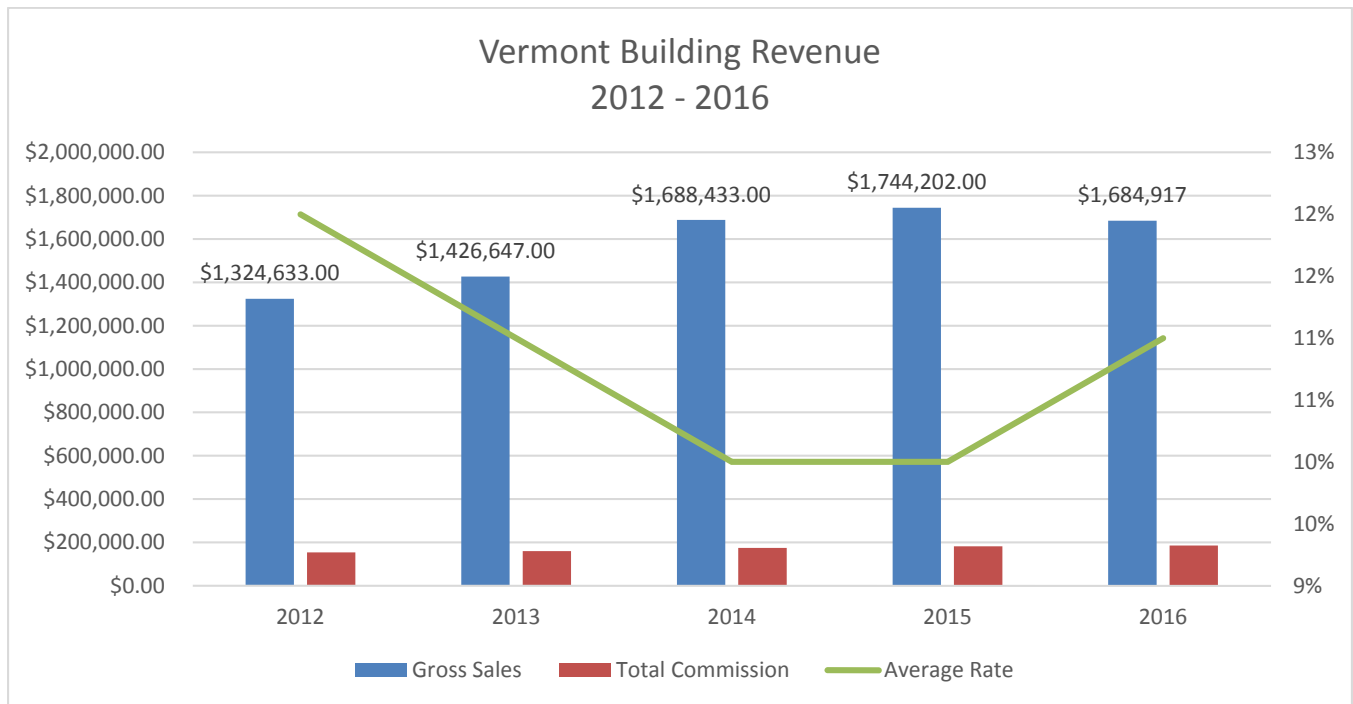
Item	FY 2012	FY 2013	FY 2014	FY 2015	FY2016
Expenses	\$ (127,610.00)	\$ (73,820.00)	\$ (171,313.00)	\$ (122,715.00)	\$ (156,358.00)*
Revenue	\$ 153,553.00	\$ 159,961.00	\$ 174,735.00	\$ 181,883.00	\$ 185,736.00
Net Income	\$ 25,943.00	\$ 86,141.00	\$ 3,422.00	\$ 59,167.00	\$ 32,378.00
Reserve Fund Investment	\$ 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	\$ 131,571.00

Vermont Building Operating Expenses

The building requires Vermont Agency of Agriculture, Food & Markets (VAAF) staff time in addition to the work of a full time building manager. Specific activities carried out by VAAF 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 and promotion; and budget management. In addition to staff time, operating expenses include utilities, custodial services, entertainment, advertising and BGS space fee.

Vermont Building Revenue

Each exhibitor is contractually bound to pay a commission to VAAF based on gross sales realized from its retail space in the Vermont Building. From 2001 - 2014, exhibitors paid a percentage fee based on volume of sales, however as noted below, VAAF performed a thorough review to create a commission structure to better sustain building operations.



Financial Sustainability

In 2015, VAAF performed a thorough review and research of the current sales commission structure. It was determined that the sliding fee structure did not produce enough revenue to cover operating expenses as well as the annual need to re-invest in maintenance and repairs for the building. In addition, it was found that the existing commission rate structure was well below industry standard. The sliding fee structure is not equitable

for all vendors and the agency concluded that a flat fee of 13% will ensure equity among vendors, cover operational expenses, and allow for annual reinvestment into the building.

To implement the fee increase among existing vendors in the building, VAAFM is making the increase 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, VAAFM has sought to maximize the interior and exterior layout of the building through redesigning booth layouts and creating space for additional vending space outside. This concept was put out to bid by BGS in December 2015 and an Architect will be awarded the project in February 2016. Design work will be completed by early spring to have the areas implemented by the 2016 fair.

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	\$114,250
Restore Office Wood Floors	\$5,000
Paint Ceiling	\$20,587
Masonry & Balcony Restoration	\$72,000
Fire alarm system upgrade:	\$26,882
Total Cost:	\$333,174

2016-2017 Projects	
Description	Cost
Slate Roof Restoration	\$78,000
Landscaping Master Plan	\$200,000
Miscellaneous HVAC	\$15,000
Upper Hallway Renovation	\$30,000
Exterior Painting	\$30,000
Restore Rear Doors & Window Transom	\$25,000
Window Restoration	\$50,000
Reguild Domes	\$24,500
Total Cost:	\$452,500

Contact

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Statutory Authority and Oversight

VAAF 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.