

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



KARL F. DEAN
MAYOR

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METROPOLITAN COURTHOUSE
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October 5, 2009

Dear Fair Board:

As members of the Fair Board you have worked tirelessly to make sure your decisions are in the best interest of all Nashville. I want to thank each of you for all your hard work and for volunteering your time for the city. I also want to thank Buck Dozier and his staff for all the good work they do.

One of my first meetings upon becoming Mayor was dedicated to a briefing on the Tennessee State Fair and Fairgrounds, its uses, operations, and, most importantly, its future. This review process began before I took office in response to a request for a 30 year lease extension for the race track.

Since then, you have received and reviewed a comprehensive consultant report from Markin Consulting, held numerous, well-attended public meetings and spent many hours evaluating the Fairgrounds, the State Fair, and the race track.

For the many reasons pointed out in the Markin study, all of us — you, your Executive Director and professional staff and I — have concluded that a truly great State Fair, simply cannot be developed at the current Fairgrounds location. Moreover, it is clear that the current course of the State Fair is not sustainable and continuing to run the Fairgrounds until its reserve fund is completely exhausted is not the responsible thing to do. One more year at current spending levels would take the reserve fund to zero and the Fair Board would then have no resources to continue.

Therefore, I have instructed the Metro Finance Department to prepare to take control of the Fairground property at the end of the current fiscal year, June 30, 2010. At the same time my administration will move forward with developing a framework for redevelopment of the site. This process will of course include extensive consultation with the neighbors, the Metro Council, the appropriate Council Committee Chair and the Metropolitan Legal department. I have already asked the Human Resource department to help locate new positions for displaced employees.

As you are aware, there are several important monthly and yearly events that are currently hosted at the fairgrounds. These events are important to the City and you should work hard to accommodate them at the fairgrounds for the near term. I have asked my Office of Economic Development to work with Executive Director Dozier and his event and marketing

staff to start the process of finding optional locations for new venues for these events. Specifically, it is our hope to find a suitable replacement venue for our nationally recognized Flea Market, Christmas Village and other long-time Fairground tenants.

In regard to the future of the Tennessee State Fair, the Markin study comes to the conclusion that any effort to successfully "remake" or "reinvent" the Fair for the long term would require a new and modern facility.

The evaluation indicates that the costs of developing a new fairgrounds, one capable of hosting a traditional agriculture-focused State Fair, to be in excess of \$30 million dollars. Given the declining attendance we have seen at the State Fair, the significant competition from successful similar events in surrounding counties, and the lack of a dedicated funding source, it would seem these costs are simply prohibitive.

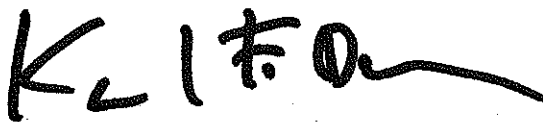
I am of course well aware how difficult this decision is for some given the long history of the State Fair and the natural consequence that my decision concerning redevelopment of the property will have on the race track. While both venues have a long history in the City, given the inability of either event to support itself financially, it is simply time for us, as a city and community, to move on.

It is important to the city that we provide a location for events that offer affordable family entertainment, and we will continue to evaluate ideas related to this as we move forward.

As your Chair and Executive Director are aware, we have had some preliminary interest from outside parties concerning the possibility of reviving the State Fair in the future if a suitable location can be secured. I am very open to this idea and have asked your Executive Director to field any inquires that might be forthcoming and make a recommendation to me when and if it is appropriate.

The need to move the fair from this location is certainly no reflection on the Board or the staff. Thank you for your dedication and many long hours of service.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl F. Dean', with a stylized flourish at the end.

Karl F. Dean
Mayor