

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 98-2675B
THE CONTENT OF PRINTED MATERIALS) Introduced by:
FOR THE 1998 OREGON CONVENTION) Executive Officer Mike Burton
CENTER BOND MEASURE) Regional Facilities Chair,
) Ruth McFarland

WHEREAS, On February 26, 1998, through Resolution No. 98-2609, the Metro Council referred an \$82,030,000 Oregon Convention Center bond measure for voter consideration in November 1998; and

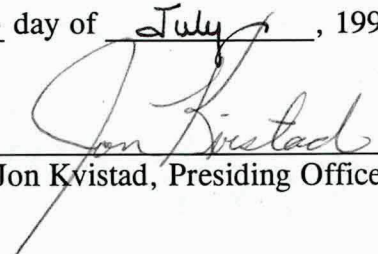
WHEREAS, The Metro Council recognizes the need for Metro as the referring agency of a bond measure to provide impartial public information to citizens about the bond measure; and

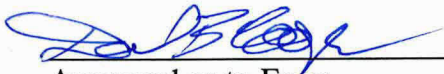
WHEREAS, staff has produced on Metro's behalf neutral fact sheets on the bond measure and the performance of the convention center and the fact sheets have been reviewed by Metro's Office of General Counsel for compliance with all pertinent legal requirements of Oregon law; now, therefore,

BE IT RESOLVED,

1. That the Metro Council approves the content of the 1998 Oregon Convention Center bond measure public information products in Exhibit A as impartial, neither supporting or opposing the passage of the measure;
2. That the public information materials in Exhibit A are hereby authorized for subsequent production and distribution with approved MERC and Oregon Convention Center funds.

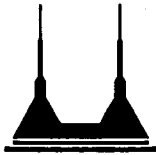
ADOPTED by the Metro Council this 16th day of July, 1998.


Jon Kvistad, Presiding Officer


Approved as to Form

Resolution No. 98-2675A
Exhibit A

1. **Oregon Convention Center Fact Sheet 1: Overview and Background**
2. **Oregon Convention Center Fact Sheet 2**
3. **Metro Bond Measure Resolution No. 98-2609**



Fact Sheet
Oregon Convention Center Expansion
1998 Ballot Measure 26-69



What is ballot measure No. 26-69?

Ballot Measure 26-69 is a general obligation bond measure for \$82.1 million to finance expansion of the Oregon Convention Center (OCC). The Convention Center opened in September 1990 as an international, multi-purpose convention and trade show facility serving the entire region. The present facility is operating at full capacity. The bond measure will fund expansion of the facility according to the original plan, allowing it to service larger and more frequent events and increasing its economic impact on the region.

What is the Oregon Convention Center?

The Oregon Convention Center is a 500,000 square foot multi-purpose convention and trade show facility owned by Metro and operated by the Metropolitan Exposition-Recreation Commission. OCC is designed to generate economic activity, including jobs and tax revenue, in the tri-county region. Between 1990 and 1997, the Center had generated an average of 5300 jobs annually in the community and more than \$2.5 billion in financial impact in the tri-county region. During that same period, nearly 5 million people attended conventions, trade shows, and local community events at OCC, nearly double original projections.

Why does the Center need to be expanded?

For the past three years, the Oregon Convention Center has been operating at capacity. It is turning away convention business, and its more successful events are beginning to outgrow the OCC facility. Since 1990, more than \$236 million in convention business has been turned away due to lack of available dates and adequate space at OCC. More than \$35 million worth of convention and meeting business that could have been captured by the region for 1998 was lost, the largest annual loss to date. Although out of town conventions and trade shows account for only one-third of total attendance, over the past 7 years they have generated an average of 94.5 percent of the economic impact.

Currently, OCC can handle only one convention of 2500 to 3000 people. The expanded OCC will be able to handle *multiple* conventions of 2500 to 3000 people at the same time; expanded events of clients who are now using the entire facility; and larger conventions of 3000-5000 people.

What economic impact will the expanded Convention Center have on the region?

The expanded Convention Center is projected to generate an *additional* \$170 million in economic impact in the region annually (an additional \$330 million statewide); growth in tax revenue that helps fund schools, police, fire and social services; an estimated 3400 new permanent jobs (4200 statewide); and other indirect economic impacts in the tri-county region.

What will happen if the Convention Center does not expand?

Without expansion, tax receipts that help pay for schools, police, fire and social services, income to residents and other economic benefits generated by OCC are projected to decline.

Convention and trade show events, which typically reserve facility space several years in advance, can shift future events to nearby convention facilities in Seattle, Salt Lake City, Long Beach, and Phoenix, which have undertaken expansion programs. If the OCC facility is not expanded, the larger and more profitable events will be diverted away from the tri-county region.

What are the economic and financial impacts that OCC has generated in the Tri-County region?

OCC brings in out-of-town convention attendees who visit, then leave the Portland area after spending money at local hotels, in restaurants and shops, on public transportation, at the airport and more. This spending creates new jobs, enhances residents' incomes, and increases local tax revenues that help pay for schools, police, fire and social services.

Since opening in 1990, OCC has generated:

- More than *\$2.5 billion* in total economic activity in the Tri-county region, including:
- \$122 million in tax contributions to support schools, police, fire and social services
- An average of 5,300 jobs per year

How would OCC expansion impact public funding for other public priorities such as school, police, fire and important social services?

OCC is an economic engine that generates dollars to help fund these important programs. Tax revenues generated by OCC go directly into the general funds of the City of Portland, State of Oregon and Multnomah County that help pay for these services. An investment in OCC is an investment in schools, police, fire, and other social services.

What will expansion of the Center consist of?

Exhibit A provides a sketch and architectural diagrams of the expanded OCC. The original facility plan would add approximately 350,000 square feet to the existing 500,000 square foot facility, bringing total OCC square footage to 850,000. The expansion plan calls for adding the following:

- 1) 100,000-115,000 square feet of clear span exhibit space
- 2) 35,000 square foot ballroom
- 3) 30-40 new meeting rooms (30-35,000 square feet)
- 4) 30-35,000 square feet of lobby/pre-function space
- 5) Parking garage under the new space on two levels
- 6) 10 loading docks (for a total of 20) with an expanded courtyard for trucks

Some of these items may be replaced, deleted, or modified. The present plans call for all of the additional square footage to be constructed on the site of the parking lot located at the SW corner of the existing facility, adjacent to Martin Luther King Jr. and Lloyd Boulevards. A new parking lot would be constructed underground, beneath the new structure.

How much will the Bond measure cost?

The cost of the bonds is \$82.1 million, to be paid over 20 years. (The bond measure seeks *authorization* for 30 years, in order to be able to respond to market conditions). The maximum annual rate to homeowners is estimated at 9.72 cents per thousand of assessed value. The maximum cost to a typical \$100,000 home owner is estimated at \$9.72 per year.

Ballot Measure 26-69 contains the following language:

Caption: Bonds to expand the Oregon Convention Center

Question: Shall Metro issue \$82.1 million in general obligation bonds to finance Oregon Convention Center expansion? If bonds are approved, they will be payable from taxes on property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

For more information about Ballot Measure 26-69, Contact:

Mark B. Williams, MERC General Manager
P.O. Box 2746
Portland, OR 97208
Telephone: 731-7800; Fax 731-7870

or

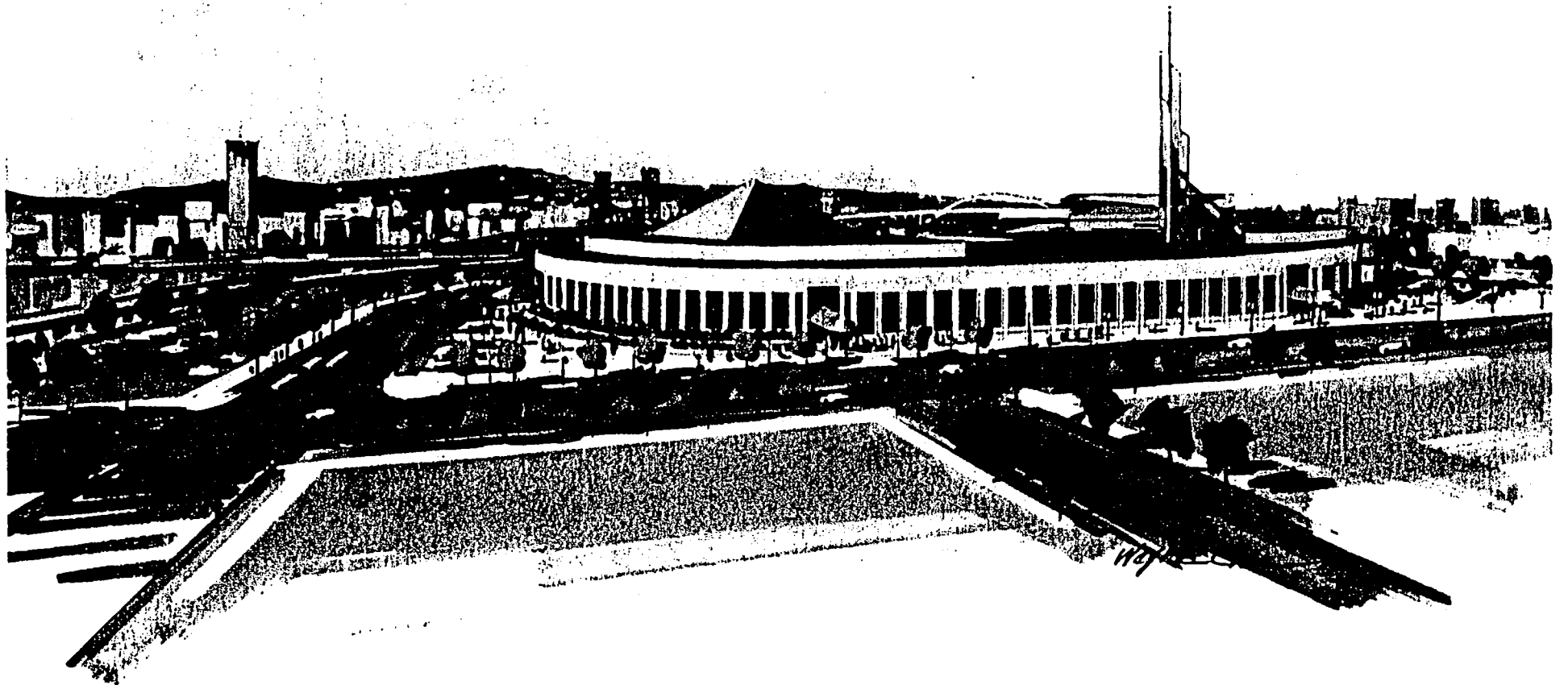
Jeff Blosser, Director, Oregon Convention Center
P.O. Box 12210
Portland, OR 97212
Telephone: 235-7575; Fax: 235-7417

This material was authorized by the Metro Council under Resolution No. 98-2675.

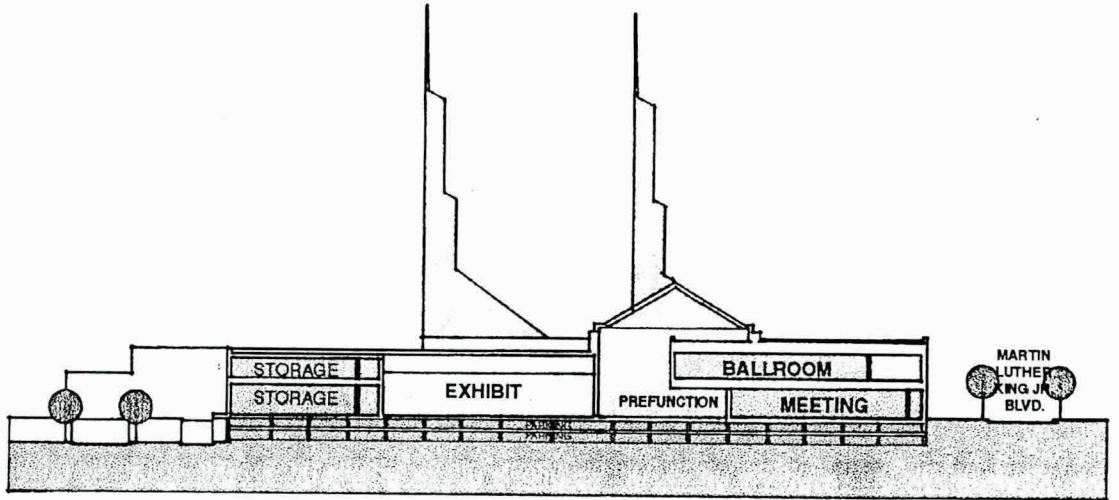
Exhibit A

Oregon Convention Center Bond Measure Fact Sheet

**Artist's Rendering of Expanded Facility
Architectural Diagrams**

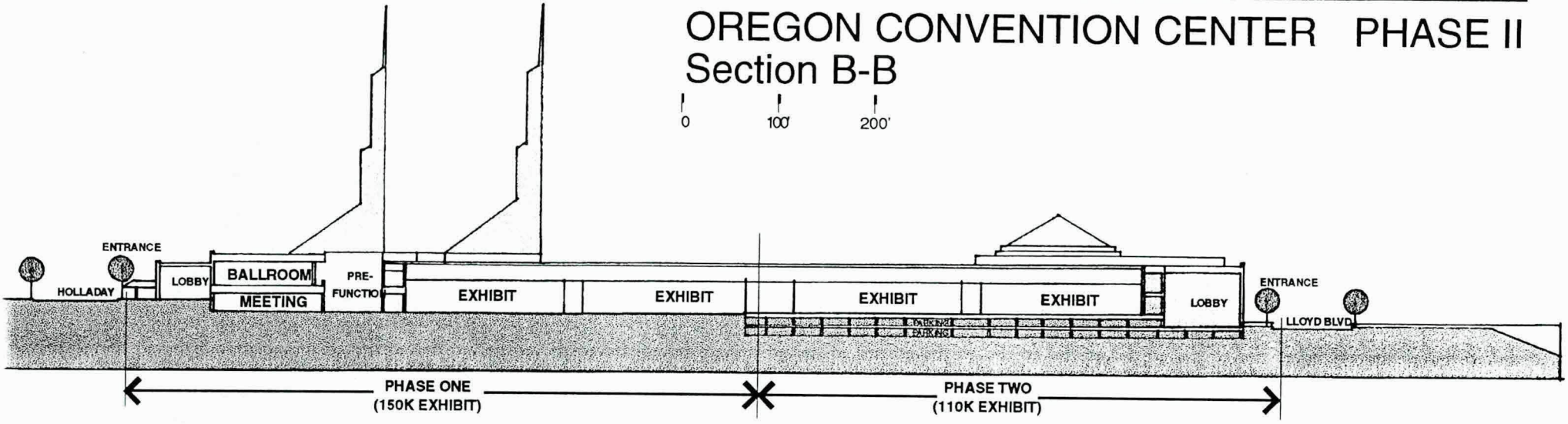


Artist's Rendering



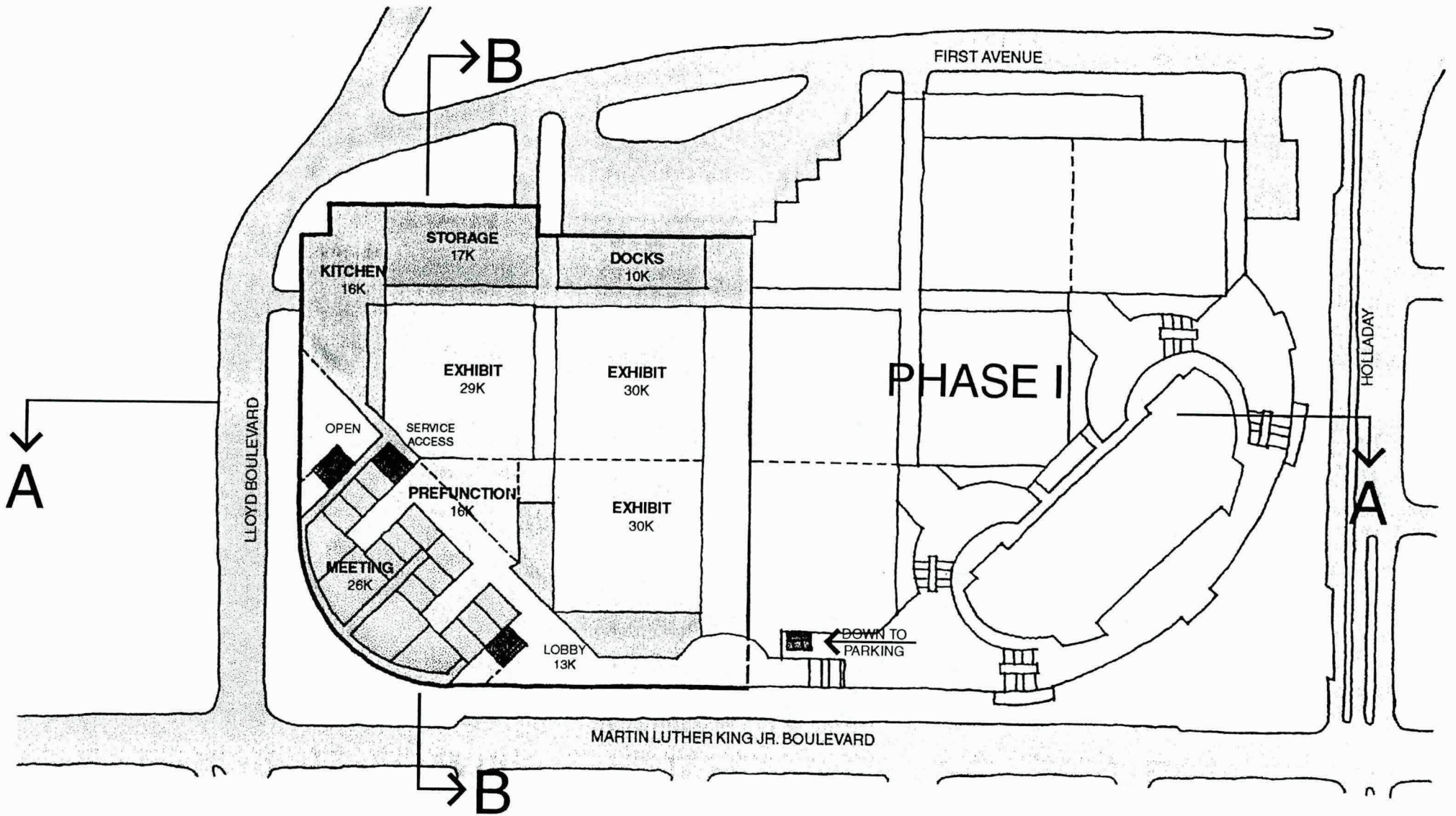
OREGON CONVENTION CENTER PHASE II
Section B-B

0 100' 200'



OREGON CONVENTION CENTER PHASE II
Section A-A

0 100' 200'



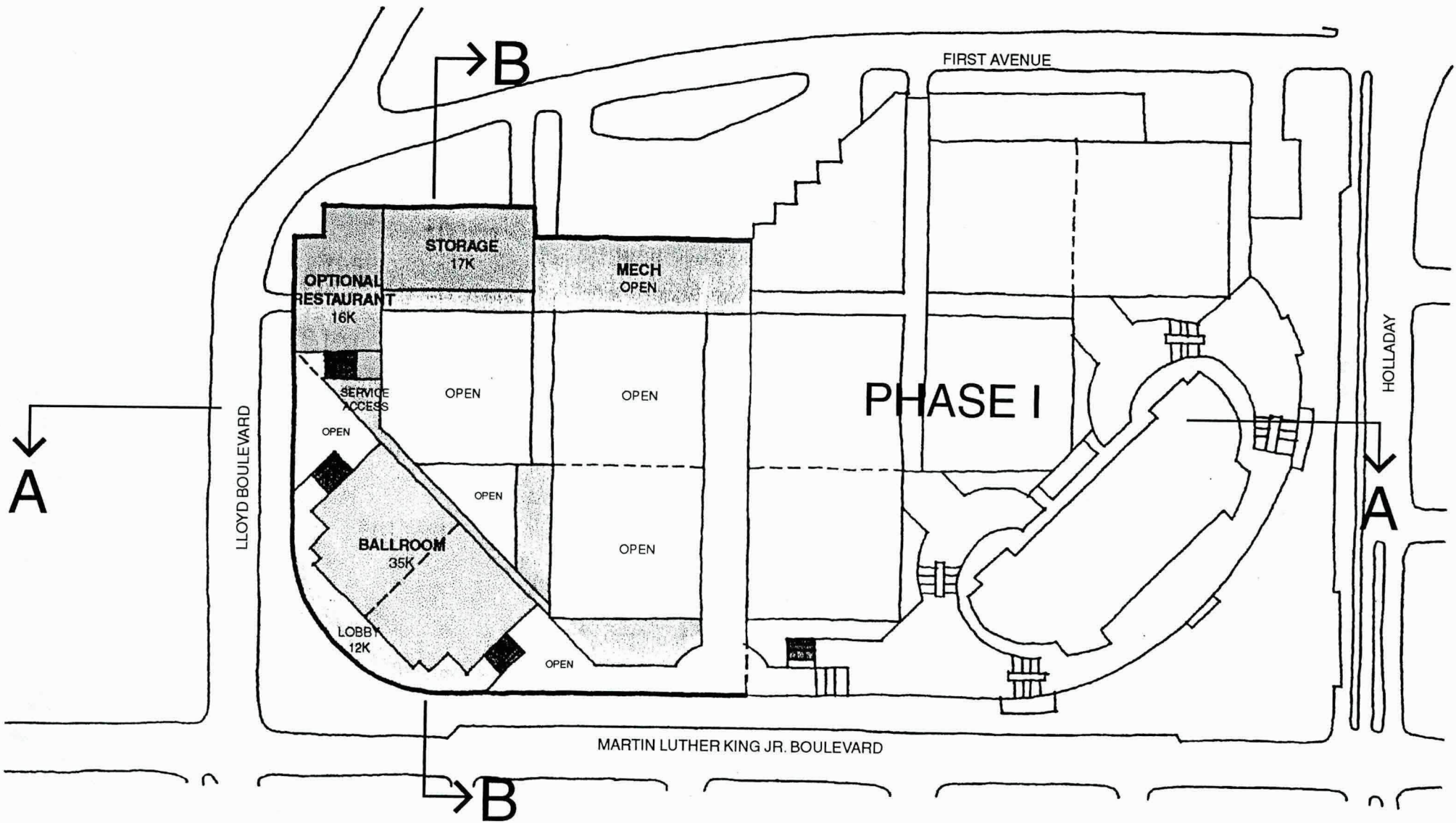
OREGON CONVENTION CENTER PHASE II
Exhibit/ Meeting Room Level



ZIMMER GUNSUL FRASCA PARTNERSHIP



ELEVATION = 83'



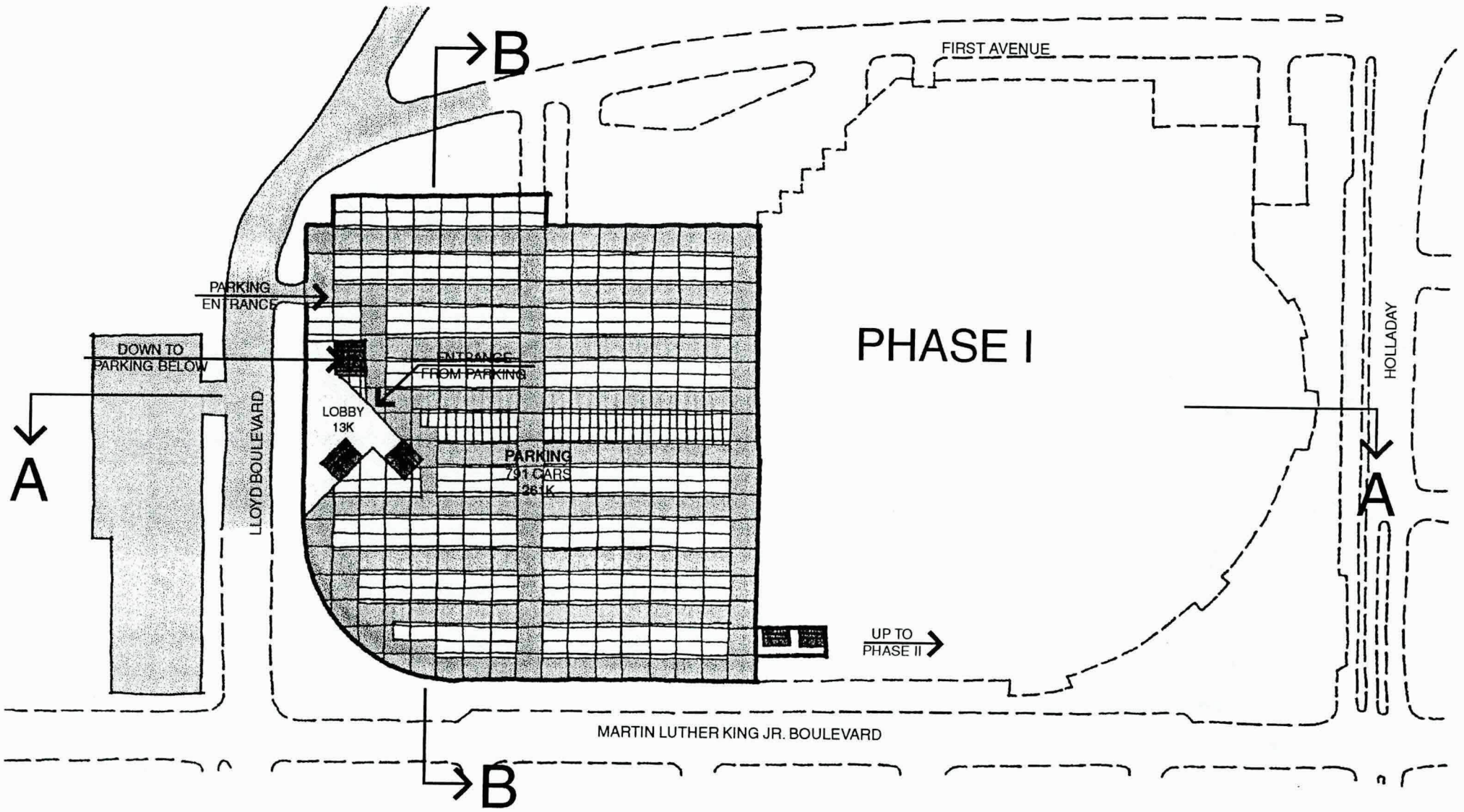
OREGON CONVENTION CENTER PHASE II
Ballroom/ Restaurant Level

0 100' 200'

ZIMMER GUNSUL FRASCA PARTNERSHIP



ELEVATION = 108'



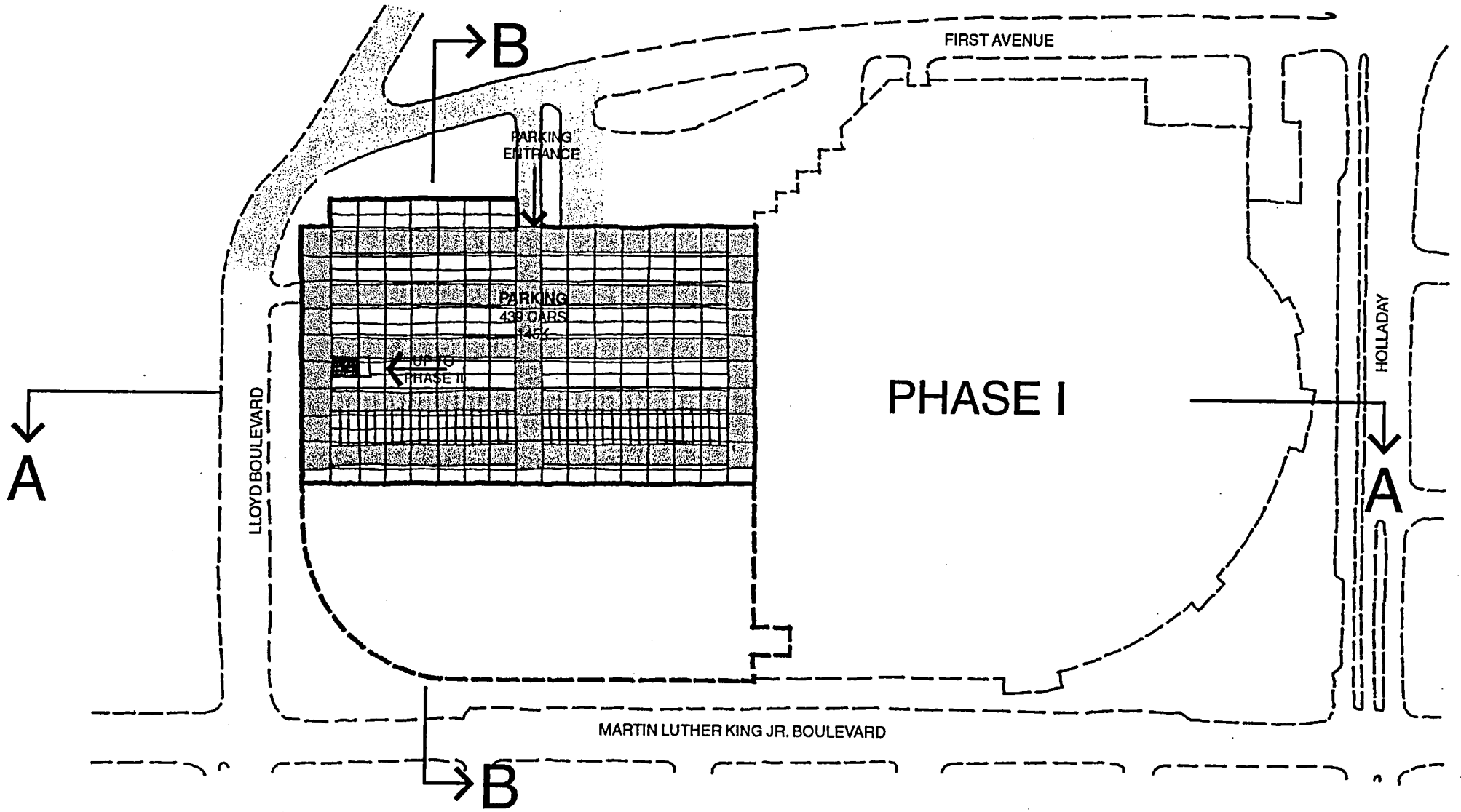
OREGON CONVENTION CENTER PHASE II
 Parking Level 1

0 100' 200'

ZIMMER GUNSUL FRASCA PARTNERSHIP



ELEVATION = 73'



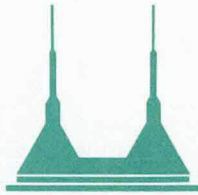
OREGON CONVENTION CENTER PHASE II
Parking Level 2

0 100' 200'

ZIMMER GUNSUL FRASCA PARTNERSHIP



ELEVATION = 63'



OREGON CONVENTION CENTER
 METRO ER COMMISSION

OCC Expansion Project Fact Sheet

OREGON CONVENTION CENTER PERFORMANCE SURPASSES PROJECTIONS AND EXPECTATIONS

The Oregon Convention Center has surpassed attendance, job creation, annual sales and annual tax contribution projections. Look at projections versus actual:

<i>ACTIVITY</i>	<i>ORIGINAL ANNUAL PROJECTIONS</i>	<i>AVERAGE ACHIEVED PER YEAR</i>	<i>CUMULATIVE 1990-1997</i>
Attendance	350,000	660,000	4.9 million
Employment	3,300	5,300	N/A
Sales	\$137.0 million	\$360 million	\$2.5 billion
Tax Contribution	\$ 4.3 million	\$ 17.5 million	\$122 million

The Oregon Convention Center (OCC) is generating a financial and economic impact on the tri-county region. OCC's out-of-town convention attendees visit Portland, then leave the area after spending money at local hotels, restaurants and shops, on public transportation, at the airport and more. This spending creates new jobs, enhances residents' incomes, and increases local tax revenues that help pay for schools, police, fire and social services. Convention and trade show delegates represent only one-third of the total OCC attendance, but generate an average of 94.5% of the economic impact.

- ◆ *Since its opening in September 1990, nearly 5 million people have attended OCC events, nearly double original projections.*
- ◆ *The Center has generated more than \$2.5 billion in total economic activity in the tri-country region, including more than \$122 million in tax revenue that helps to pay for schools, police and social services.*
- ◆ *OCC-generated economic activity has provided employment for an average of 5300 people per year.*

The Oregon Convention Center is operating at capacity and is turning away business. For the past three years, OCC has been operating at practical capacity. OCC is turning away convention business, and its more successful events are beginning to outgrow the facility. Since 1990, more than \$236 million in convention business has been turned away due to lack of available dates and adequate space at OCC. More than \$35 million worth of convention and meeting business that could have been captured by the region for 1998 was lost, the largest annual loss to date.

If the OCC is not expanded, the larger and more profitable events will be diverted away from the tri-county region. Convention and trade show events, which typically reserve facility space several years in advance, can shift future events to nearby convention facilities in Seattle, Salt Lake City, Long Beach and Phoenix, all of which have undertaken expansion programs.

The expansion project allows OCC to attract new business and retain existing business. Expansion would add 100,000-115,000 square feet of clear span exhibition space; 30-40 meeting rooms; a 35,000 square foot ballroom; 30-35,000 square feet of lobby/pre-function space; and an underground two-level parking structure.

The expanded Center would be able to accommodate larger, more profitable conventions and trade shows; multiple conventions and trade shows running concurrently; and several current customers who are outgrowing OCC's capacity. Currently, OCC can only handle one convention of 2500 to 3000 people. The expanded OCC will be able to handle multiple conventions of 2500 to 3000 people at the same time; expanded events of clients who are now using the entire facility; and larger conventions of 3000-5000 people.

The expanded Oregon Convention Center is projected to generate greater economic and financial impact on the tri-county region. The expanded Convention Center is projected to generate an *additional* \$170 million in economic impact in the region annually (an additional \$330 million statewide); growth in tax revenue that helps fund schools, police, fire and social programs; an estimated 3400 new permanent jobs (4200 statewide); and related indirect economic impacts in the tri-county region.

For more information about OCC and the expansion project, contact:

Mark B. Williams, MERC General Manager
P.O. Box 2746
Portland, OR 97208
Telephone: 731-7800; Fax 731-7870

or

Jeff Blosser, Director, Oregon Convention Center
P.O. Box 12210
Portland, OR 97212
Telephone: 235-7575; Fax: 235-7417

This material was authorized by the Metro Council under Resolution No. 98-2675.

*Sources: See sources for detailed summaries, disclaimers and explanations.
Price Waterhouse LLP, OCC Market, Financial & Economic Analysis, 1996
CIC Research, Inc, 1997 Summary Report, Economic Impact of OCC on the tri-County Region
POVA Market Studies, 1995 & 1996
(June 1998)*

The Oregon Convention Center is owned by Metro and managed by the Metropolitan Exposition-Recreation Commission

I HEREBY CERTIFY THAT THE FOREGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF.

Rebecca V. Shoemaker, Archivist
Clerk of the Metro Council

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF SUBMITTING TO	)	RESOLUTION NO 98-2609
THE VOTERS A GENERAL OBLIGATION)	
BOND INDEBTEDNESS IN THE AMOUNT	)	Introduced by
OF \$82,030,000 FOR THE COMPLETION	)	Executive Officer Mike Burton,
OF THE OREGON CONVENTION CENTER	)	Presiding Officer Jon Kvistad,
	)	and Regional Facilities Chair
	)	Ruth McFarland

WHEREAS, The original plan for the Oregon Convention Center ("OCC") called for utilization of the entire site. In 1986, regional voters approved a \$65 million General Obligation bond toward the construction of Phase I of the Convention Center plan. All of the land necessary for completion of Phase II, the current proposed expansion, was purchased at that time; and

WHEREAS, Phase I of the Oregon Convention Center project, the existing facility, was completed in 1989 and has exceeded projections for attendance, the generation of regional revenue and employment. The facility has been operating at practical capacity for three years and is turning away potential business and losing existing business; and

WHEREAS, Upon completion of the original plans, the Oregon Convention Center is projected to generate an additional \$170 million economic impact on the tri-county region annually, to expand regional employment by an estimated 3,400 permanent jobs, and to attract new cultural and economic resources to the region. Failure to expand the facility pursuant to the original plan will result in a loss of OCC's competitive position and a decline in revenue and other economic benefits generated by OCC; and

WHEREAS, Metro has engaged the involvement of the community in this project, including citizens' groups, civic organizations, business leaders, and elected officials; and

WHEREAS, The completion of the Oregon Convention Center is regarded as a project of significant economic benefit for regional voters; now, therefore,

BE IT RESOLVED:

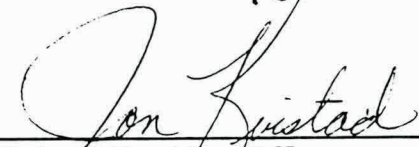
1. That the Metro Council hereby submits to the qualified voters of the District the question of issuing General Obligation bonds in the maximum principal amount of \$82,030,000 for the completion of the Oregon Convention Center as generally described in Exhibit "B." The bonds shall mature over a period of not more than 30 years.

2. That the measure shall be placed on the ballot for the general election to be held on November 3, 1998.

3. That the District shall cause a Notice of Measure Election and the Ballot Title attached as Exhibit "A" to be submitted to the Elections Officer, the Tax Supervising and Conservation Commission, and the Secretary of State in a timely matter as required by law.


4. That the Executive Officer, pursuant to Oregon Law and Metro Code Chapter 9.02, shall transmit this measure, ballot title, and explanatory statement to the County Elections Officer for inclusion in any county voters' pamphlets published for the election on this measure.

ADOPTED by the Metro Council this 26th day of FEBRUARY 1998.



Jon Kvistad, Presiding Officer

APPROVED AS TO FORM:



Daniel B. Cooper, General Counsel

KAP:kaj
I:\DOCS#05.ERC\06OCC\02FUNDNG\0298BOND\98-2609.CLN
2/3/98

**EXHIBIT A.
BALLOT TITLE**

Caption

Bonds to complete the Oregon Convention Center.

Question

Shall Metro issue \$82,030,000 of general obligation bonds to finance Oregon Convention Center completion? If bonds are approved, they will be payable from taxes on property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

Explanation

The measure authorizes \$82,030,000 in bonds for capital construction and improvements to expand and improve the Oregon Convention Center. Approval of the measure will complete the Oregon Convention Center, increase exhibition, meeting room, and lobby/prefunction space, parking, and add a ballroom. It will increase facility capacity, allowing the facility to serve larger events, multiple events at the same time, and expanded event schedule. The completed Oregon Convention Center will generate employment, tax revenue, and a projected additional \$170 million economic impact on the tri-county region annually. Bonds mature in not more than 30 years. The maximum annual cost to the taxpayer is estimated to be \$9.72 on a \$100,000 home .

EXHIBIT B. DESCRIPTION

OREGON CONVENTION CENTER COMPLETION MEASURE

The purpose of this measure is to obtain voter approval for an expansion of the Oregon Convention Center (OCC) to complete the original facility plans through the issuance of general obligation bonds in the amount of \$82,030,000.

The proposal to expand the Oregon Convention Center is part of the long term strategic plan for the Center established at its inception and reaffirmed in the OCC business plans. Completion is the first priority of the current three year business plan. The project will enable the Center to remain competitive and to continue generating significant tax revenue and economic benefits for the Tri-county region.

OCC is an international multi-purpose convention and trade show facility. It is a 500,000 square foot facility consisting of 150,000 square feet of column-free exhibit space; a 25,000 square foot ballroom dividable into four separate rooms; 28 breakout/meeting rooms with a total of 30,000 square feet and 55,000 square feet of lobby and pre-function space; parking on site for 1,040 vehicles and kitchen facilities for serving up to 5,000 meals.

Since its opening in September 1990 more than 4.3 million people have attended OCC events, nearly double original projections. The Center has generated more than \$2.2 billion in total economic activity in the tri-country region, including more than \$107 million in tax revenue that helps to pay for police, education, and other social services. OCC has generated 5200 permanent jobs in the community. Convention and trade shows, while representing only one-third of total attendance, generate about 95 percent of the economic impact.

The Center has been operating at practical capacity for three years and is turning away potential convention business. In addition, OCC is losing existing convention business that has outgrown the facility. OCC's competitors are expanding, and convention business trends indicate that growth in the industry will continue unabated. Without completion, tax receipts and other economic benefits generated by OCC are projected to decline. With completion, the expanded Center is expected to generate growth in hotel/motel tax revenue, an estimated 3400 new permanent jobs and other indirect economic benefits for the region.

Completion Plan

Initial plans for completion of the original Oregon Convention Center (OCC) facility call for 350,000 additional square feet, bringing total OCC square footage to 850,000. The completion plan would add the following:

- 1) 100,000-115,000 square feet of clear span exhibit space
- 2) 35,000 square foot ballroom

- 3) 30-40 meeting rooms (30-35,000 square feet)
- 4) 30-35,000 square feet of lobby/pre-function space
- 5) Parking garage under the new space on two levels
- 6) 10 loading docks with an expanded courtyard for trucks

Some of these items may be replaced, deleted, or modified.

Present plans call for all of the additional square footage to be constructed on the site of the parking lot located at the SW corner of the existing facility, adjacent to Martin Luther King Jr. and Lloyd Boulevards. A new parking lot is planned to be constructed underground, beneath the new structure.

The expanded facility will have state of the art technology, including fiber optic capabilities, complete lighting controls, computer-controlled heating and air conditioning, and capacity for audio visual connections and telephone Internet. The exterior and landscaping will match the existing facility.

The finishes for the new parts of the building will be of the same quality and type as the original facility, including wall coverings, furniture, large atriums, and artwork. The "1% for Art Program," (a legal requirement that 1% of construction costs be dedicated to artwork) will apply to the new space. Selection of artwork will be handled through a competition similar to that utilized during construction of the existing facility. This program will integrate art into the design and construction process to enhance the lobby spaces, new VIP suite, and other new areas.

Currently, OCC can only handle one convention of 2500 to 3000 people. With expansion, OCC will be able to handle multiple conventions of 2500 to 3000 people at the same time; expanded events of clients who are now using the entire facility; and larger conventions of 3000-5000 people.

Community Involvement in the Project

There is broad community support for this project. The hospitality community, represented by the Tri-County Lodging Association and the Portland Oregon Visitors Association, took the lead, through its endorsement and active involvement in putting together and securing support for the layered funding package. Business leaders, the arts community, the City of Portland and Multnomah County lent their involvement and support to OCC completion. Initial formal endorsements of the project have been received by the following groups:

- Tri-County Lodging Association
- Portland Oregon Visitors Association (POVA)
- Oregon Tourism Commission
- Tourism Industry Council
- Oregon Association of Minority Entrepreneurs
- Oregon Society of Association Executives (OSAE)
- African American Chamber of Commerce

- Oregon Association of Convention & Visitor's Bureaus (OACVB)
- Hispanic Chamber of Commerce
- Urban League of Portland
- North/Northeast Business Association
- Albina Community Bank
- African American Legislative Roundtable
- NE Coalition of Neighborhoods Inc.
- Black Leadership Conference
- Northeast Economic Development Alliance
- City of Portland
- Multnomah County

Cost and Funding for the Project

The project will cost approximately \$97 million. Property taxpayers are being asked to authorize \$82,030,000 through a general obligation bond. Debt service on approximately \$10 million of those bonds will be backed by a ½% increase in the transient lodging tax levied by Multnomah County. The balance of the project will be financed by tax increment financing from the City of Portland, MERC/OCC funds, and investment earnings. If project costs are not exceeded, any remaining funds will be dedicated to capital construction and/or improvements related to the Oregon Convention Center.

The \$82,030,000 amount therefore includes obtaining approximately \$10 million in GO bond *authority* from the voters, to cover bonds which are actually intended to be repaid from the ½% increase in Multnomah County Transient Lodging Tax. Thus the voters will only be expected to pay for \$72,030,000 in bonds, even though they are asked to authorize the \$82,030,000 number.

The maximum annual cost to the taxpayer is estimated to be \$9.72 on a \$100,000 home.

A detailed outline of estimated sources and uses of funds is attached.

**Oregon Convention Center Completion Project
Estimated Sources and Uses of Funds**

Sources of Funds:

Bond Proceeds	\$ 82,030,000
(1) Investment Earnings	5,000,000
OCC/MERC Fund Balance	6,000,000
PDC Funding	5,000,000
Total sources of Funds	<u>\$ 98,030,000</u>

Uses of Funds:

(2) Construction and Related Costs	\$ 97,000,000
(3) Costs of Issuance	1,030,000
Total Uses of Funds	<u>\$ 98,030,000</u>

- (1) Assumes investment earnings averaging 5.35%
- (2) Includes \$5,000,000 in Furniture and Equipment
- (3) Includes underwriter's costs, administrative, legal, accounting, rating agency, planning, printing and miscellaneous expense.

STAFF REPORT

CONSIDERATION OF RESOLUTION No. 98-2609, REFERRING GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$82,030,000 TO THE VOTERS TO COMPLETE THE OREGON CONVENTION CENTER

Date: February 3, 1998

Presented by: Mike Burton
Executive Officer

Mark B. Williams
MERC General Manager

Background:

The Oregon Convention Center (OCC) is an international multi-purpose convention and trade show facility built and owned by Metro and operated on Metro's behalf by the Metropolitan Exposition- Recreation Commission (MERC) pursuant to Chapter 6 of the Metro Code.

The total cost for construction of Phase I, the existing facility, was \$90 million, and was partially financed by a \$65 million Metro regional general obligation bond. All of the land necessary to complete Phase II, the current proposed expansion, was purchased at that time. The current 500,000 square foot facility contains 150,000 square feet of column-free exhibition space; 30,000 square feet of breakout/meeting room space; a 25,000 square foot ballroom; 55,000 square feet of lobby and pre-function space; parking on site for 1,040 vehicles and kitchen facilities for serving up to 5,000 meals.

Since its opening in September 1990, OCC has exceeded all projections for attendance, financial success, and economic benefits generated in the region. Nearly 5 million people have attended OCC events, more than double original projections. The Center has generated more than \$2.2 billion in total economic activity in the Metro region, including more than \$107 million in tax revenue that helps to pay for police, education, and other social services. OCC has generated 5200 permanent jobs in the community.

OCC has been operating at practical capacity for three years and is turning away convention business. In addition, OCC is losing existing conventions that have outgrown the facility. OCC's competitors are expanding to take advantage of the projected unabated growth in the convention industry. Without completion, OCC will become the smallest convention center among the Western cities which it traditionally competes against, and will lose business that will further benefit the regional economy. Tax receipts generated by OCC will likely decline.

Staff Report

Metro Resolution No. 98-2609

Page 2

Initial plans to complete the original facility would add a total of 350,000 additional square feet, bringing total OCC square footage to 850,000. The present completion plans would add the following: 100,000-115,000 square feet of clear span exhibit space; a 35,000 square foot ballroom; 30-40 meeting rooms (30-35,000 square feet); 30-35,000 square feet of lobby/pre-function space; a parking garage under the new space on two levels; and 10 loading docks with an expanded courtyard for trucks. Some of these items may be replaced, deleted, or modified during the course of the project.

Currently, OCC can handle only one convention of 2500 to 3000 people. With expansion, OCC will be able to handle multiple conventions of 2500 to 3000 people at the same time; expanded events of clients who are now utilizing the full facility; and larger conventions of 3000-5000 people.

The expanded Center will generate an estimated additional \$170 million economic impact on the Metro region annually; growth in hotel/motel tax revenue that helps to pay for schools, police, fire and other social programs; an estimated 3400 new permanent jobs; and other indirect economic benefits for the Metro region. The project is part of the long term strategic plan established for the Center at its inception and reaffirmed in the OCC Business Plans.

Community Support for the Project

There is broad community support for this project. The hospitality community, represented by the Tri-County Lodging Association and the Portland Oregon Visitors Association, took the lead, through its endorsement and active involvement in putting together and securing support for the layered funding package. Business leaders, the arts community, the City of Portland and Multnomah County lent their involvement and support to OCC completion. Initial formal endorsements of the project have been received by the following groups:

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- Oregon Association of Minority Entrepreneurs
- Oregon Society of Association Executives (OSAE)
- African American Chamber of Commerce
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- Hispanic Chamber of Commerce
- Urban League of Portland
- North/Northeast Business Association

- Albina Community Bank
- African American Legislative Roundtable
- NE Coalition of Neighborhoods Inc.
- Black Leadership Conference
- Northeast Economic Development Alliance
- City of Portland
- Multnomah County

Cost and Funding for the Project:

The project will cost approximately \$97 million. Property taxpayers are being asked to authorize \$82,030,000 through a general obligation bond, approximately \$10 million of which will be backed by a ½% increase in the transient lodging tax levied by Multnomah County. The balance of the project will be financed by approximately \$5 million in tax increment financing from the City of Portland, approximately \$6 million in MERC/OCC funds, and approximately \$5 million in investment earnings. If project costs are not exceeded, any remaining funds will be dedicated to capital construction and/or improvements related to the Oregon Convention Center.

The \$82,030,000 amount therefore includes obtaining approximately \$10 million in GO bond *authority* from the voters, to cover bonds which are actually intended to be repaid from the ½% increase in Multnomah County Transient Lodging Tax. Thus the voters will only be expected to pay for \$72,030,000 in bonds, even though they are asked to authorize the \$82,030,000 number.

The maximum annual cost to the taxpayer is estimated to be \$9.72 on a \$100,000 home.

A detailed outline of estimated sources and uses of funds is attached.

Metropolitan Exposition-Recreation Commission Recommendation

Metro Code Section 6.01.040(a) directs the Metropolitan Exposition-Recreation Commission to advise the public owners of the MERC facilities on financial measures which may be necessary or desirable with respect to major capital projects.

On January 14, 1998, MERC passed No. 98-4, formally endorsing the Oregon Convention Center completion project, and requesting that the Metro Council refer this bond measure to the voters in the November 1998 general election.

Staff Report
Metro Resolution No. 98-2609
Page 4

Executive Officer Recommendation

The Executive Officer recommends that the Council approve Resolution 98-2609.

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 98-2675A
THE CONTENT OF PRINTED MATERIALS	) Introduced by:
FOR THE 1998 OREGON CONVENTION	) Executive Officer Mike Burton
CENTER BOND MEASURE	) Regional Facilities Chair,
	) Ruth McFarland

WHEREAS, On February 26, 1998, through Resolution No. 98-2609, the Metro Council referred an \$82,030,000 Oregon Convention Center bond measure for voter consideration in November 1998; and

WHEREAS, The Metro Council recognizes the need for Metro as the referring agency of a bond measure to provide impartial public information to citizens about the bond measure; and

WHEREAS, staff has produced on Metro's behalf neutral fact sheets on the bond measure and the performance of the convention center and the fact sheets have been reviewed by Metro's Office of General Counsel for compliance with all pertinent legal requirements of Oregon law; now, therefore,

BE IT RESOLVED,

1. That the Metro Council approves the content of the 1998 Oregon Convention Center bond measure public information products in Exhibit A as impartial, neither supporting or opposing the passage of the measure;
2. That the public information materials in Exhibit A are hereby authorized for subsequent production and distribution with approved MERC and Oregon Convention Center funds.

ADOPTED by the Metro Council this ____ day of _____, 1998.

Jon Kvistad, Presiding Officer

Approved as to Form

REGIONAL FACILITIES COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 98-2675A, FOR THE PURPOSE OF APPROVING THE CONTENT OF PRINTED MATERIALS FOR THE 1998 OREGON CONVENTION CENTER BOND MEASURE.

Date: July 9, 1998

Presented by: Councilor Monroe

Committee Action: At its July 8, 1998 meeting, the Regional Facilities Committee unanimously recommended Council adoption of Resolution No. 98-2675A. Voting in favor: Councilors McCaig, Monroe and McFarland .

Council Issues/Discussion: Chair McFarland summarized the issues in this resolution. The Metro Council has previously approved the referral of an \$82 million bond measure for expansion and completion of the Oregon Convention Center. In May, a judge approved the ballot title and voter pamphlet explanatory statement. Although those items are listed as attachments to the staff report for this resolution, the Council is not being asked to take any action on those items. Rather, the council is approving language to be used in providing impartial informational materials to the public. This material includes two fact sheets, which are listed in Exhibit A, and language pulled from the previously approved Metro resolution.

Fact Sheet 1 was amended in committee, in response to inquiries from Counselor McCaig. A sentence has been added to make clear that the Oregon Convention Center is owned by Metro, and managed by the Metro Exposition and Recreation Commission. Additionally, the committee had previously agreed to a clarification by staff, that calls out Multnomah County as one of the direct recipients of tax revenues generated by the operation of the OCC.

A set of drawings also intended to be part of the informational packet was inadvertently left out of the exhibit material. They will be available at Council and an amendment will be offered by Councilor Monroe to include them.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 98-2675
THE CONTENT OF PRINTED MATERIALS) Introduced by:
FOR THE 1998 OREGON CONVENTION) Executive Officer Mike Burton
CENTER BOND MEASURE) Regional Facilities Chair,
) Ruth McFarland

WHEREAS, On February 26, 1998, through Resolution No. 98-2609, the Metro Council referred an \$82,030,000 Oregon Convention Center bond measure for voter consideration in November 1998; and

WHEREAS, The Metro Council recognizes the need for Metro as the referring agency of a bond measure to provide impartial public information to citizens about the bond measure; and

WHEREAS, staff has produced on Metro's behalf neutral fact sheets on the bond measure and the performance of the convention center and the fact sheets have been reviewed by Metro's Office of General Counsel for compliance with all pertinent legal requirements of Oregon law; now, therefore,

BE IT RESOLVED,

1. That the Metro Council approves the content of the 1998 Oregon Convention Center bond measure public information products in Exhibit A as impartial, neither supporting or opposing the passage of the measure;
2. That the public information materials in Exhibit A are hereby authorized for subsequent production and distribution with approved MERC and Oregon Convention Center funds.

ADOPTED by the Metro Council this ____ day of _____, 1998.

Jon Kvistad, Presiding Officer

Approved as to Form

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 98-2675 FOR THE PURPOSE OF APPROVING THE CONTENT OF PUBLIC INFORMATION MATERIALS FOR THE 1998 OREGON CONVENTION CENTER BOND MEASURE

Date: June 29, 1998

Presented by: Mark B. Williams

PROPOSED ACTION

Resolution No. 98-2675 requests the approval of the content of printed materials intended to provide the public with factual and impartial information related to the 1998 Oregon Convention Center Bond Measure. The package of public information pieces consists of Metro Resolution No 98-2609 submitting to the voters a general obligation bond to expand the Oregon Convention Center and two (2) fact sheets, the first of which includes an artist's rendering and architectural design diagrams of the proposed expansion.

BACKGROUND AND ANALYSIS

On February 26, 1998, the Metro Council adopted Resolution No. 98-2609 referring to the voters on the November 1998 ballot an \$82,030,000 bond measure to expand the Oregon Convention Center. The measure was filed with the Elections Director of the Multnomah County Elections office on March 9, 1998. On May 26, 1998, Judge Anna Brown approved the ballot title and explanatory statement attached in Appendix A to this staff report.

Voters of the region are now making requests for information about the Oregon Convention Center bond measure, and the demand for information is expected to increase. The production of impartial informational materials such as fact sheets, diagrams, public notice signs and copies of the bond measure language will meet the need to fulfill public information requests regarding the bond measure.

The materials utilize the language in the ballot title and explanatory statement approved by Judge Anna Brown on May 26, 1998. The economic impact and employment numbers in Fact Sheet Nos. 1 and 2 have been updated to include 1997 data, as contained in the annual economic impact study update released by CIC Research, Inc. in June of this year. These figures, therefore, differ from those in the Metro resolution, ballot title, and explanatory statement which reflect OCC economic impact through 1996 only.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 98-2675.

Resolution No. 98-2675
Exhibit A

1. Oregon Convention Center Fact Sheet 1: Overview and Background
2. Oregon Convention Center Fact Sheet 2
3. Metro Bond Measure Resolution No. 98-2609

*Fact Sheet for
98-2675
2675A different*

Fact Sheet 1: Overview and Background

OCC LOGO

Oregon Convention Center Expansion
1998 Ballot Measure 26-69

MERC/Metro Logo

What is ballot measure No. 26-69?

Ballot Measure 26-69 is a general obligation bond measure for \$82.1 million to finance expansion of the Oregon Convention Center (OCC). The Convention Center opened in September 1990 as an international, multi-purpose convention and trade show facility serving the entire region. The present facility is operating at full capacity. The bond measure will fund expansion of the facility according to the original plan, allowing it to service larger and more frequent events and increasing its economic impact on the region.

What is the Oregon Convention Center?

The Oregon Convention Center is a 500,000 square foot multi-purpose convention and trade show facility. OCC is designed to generate economic activity, including jobs and tax revenue, in the tri-county region. Between 1990 and 1997, the Center had generated an average of 5300 jobs annually in the community and more than \$2.5 billion in financial impact in the tri-county region. During that same period, nearly 5 million people attended conventions, trade shows, and local community events at OCC, nearly double original projections.

Why does the Center need to be expanded?

For the past three years, the Oregon Convention Center has been operating at capacity. It is turning away convention business, and its more successful events are beginning to outgrow the OCC facility. Since 1990, more than \$236 million in convention business has been turned away due to lack of available dates and adequate space at OCC. More than \$35 million worth of convention and meeting business that could have been captured by the region for 1998 was lost, the largest annual loss to date. Although out of town conventions and trade shows account for only one-third of total attendance, over the past 7 years they have generated an average of 94.5 percent of the economic impact.

Currently, OCC can only handle one convention of 2500 to 3000 people. The expanded OCC will be able to handle *multiple* conventions of 2500 to 3000 people at the same time; expanded events of clients who are now using the entire facility; and larger conventions of 3000-5000 people.

What economic impact will the expanded Convention Center have on the region?

The expanded Convention Center is projected to generate an *additional* \$170 million in economic impact in the region annually (an additional \$330 million statewide); growth in tax

revenue that helps fund schools, police, fire and social services; an estimated 3400 new permanent jobs (4200 statewide); and other indirect economic impacts in the tri-county region.

What will happen if the Convention Center does not expand?

Without expansion, tax receipts that help pay for schools, police, fire and social services, income to residents and other economic benefits generated by OCC are projected to decline.

Convention and trade show events, which typically reserve facility space several years in advance, can shift future events to nearby convention facilities in Seattle, Salt Lake City, Long Beach, and Phoenix, which have undertaken expansion programs. If the OCC facility is not expanded, the larger and more profitable events will be diverted away from the tri-county region.

What are the economic and financial impacts that OCC has generated in the Tri-County region?

OCC brings in out-of-town convention attendees who visit, then leave the Portland area after spending money at local hotels, in restaurants and shops, on public transportation, at the airport and more. This spending creates new jobs, enhances residents' incomes, and increases local tax revenues that help pay for schools, police, fire and social services.

Since opening in 1990, OCC has generated:

- More than *\$2.5 billion* in total economic activity in the Tri-county region, including:
- \$122 million in tax contributions to support schools, police, fire and social services
- An average of 5,300 jobs per year

How would OCC expansion impact public funding for other public priorities such as school, police, fire and important social services?

OCC is an economic engine that generates dollars to help fund these important programs. Tax revenues generated by OCC go directly into the general funds of the City of Portland, State of Oregon and local governments that help pay for these services. An investment in OCC is an investment in schools, police, fire, and other social services.

What will expansion of the Center consist of?

Exhibit A provides a sketch and architectural diagrams of the expanded OCC. The original facility plan would add approximately 350,000 square feet to the existing 500,000 square foot facility, bringing total OCC square footage to 850,000. The expansion plan calls for adding the following:

- 1) 100,000-115,000 square feet of clear span exhibit space

- 2) 35,000 square foot ballroom
- 3) 30-40 new meeting rooms (30-35,000 square feet)
- 4) 30-35,000 square feet of lobby/pre-function space
- 5) Parking garage under the new space on two levels
- 6) 10 loading docks with an expanded courtyard for trucks (for a total of 20 loading docks)

Some of these items may be replaced, deleted, or modified. The present plans call for all of the additional square footage to be constructed on the site of the parking lot located at the SW corner of the existing facility, adjacent to Martin Luther King Jr. and Lloyd Boulevards. A new parking lot would be constructed underground, beneath the new structure.

How much will the Bond measure cost?

The cost of the bonds is \$82.1 million, to be paid over 20 years. (The bond measure seeks *authorization* for 30 years, in order to be able to respond to market conditions). The maximum annual rate to homeowners is estimated at 9.72 cents per thousand of assessed value. The maximum cost to a typical \$100,000 home owner is estimated at \$9.72 per year.

Ballot Measure 26-69 contains the following language:

Caption: Bonds to expand the Oregon Convention Center

Question: Shall Metro issue \$82.1 million in general obligation bonds to finance Oregon Convention Center expansion? If bonds are approved, they will be payable from taxes on property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

For more information about Ballot Measure 26-69, Contact:

Mark B. Williams, MERC General Manager
P.O. Box 2746
Portland, OR 97208
Telephone: 731-7800; Fax 731-7870

or

Jeff Blosser, Director, Oregon Convention Center
P.O. Box 12210
Portland, OR 97212
Telephone: 235-7575; Fax: 235-7417

This material was authorized by the Metro Council under Resolution No. 98-2675.

Staff Report to Resolution No. 98-2675

Appendix A

**Ballot Title and Explanatory Statement
Oregon Convention Center Measure 26-69**

EXPLANATORY STATEMENT

MEASURE 26-69

If approved by the voters, this bond will finance the completion of the Oregon Convention Center. The convention center opened eight years ago as an international multi-purpose convention and trade show facility serving the entire region. The present facility is operating at full capacity. The bond measure will fund completion of the facility according to the original plan, allowing it to service larger and more frequent events and increasing its economic impact on the region.

THE OREGON CONVENTION CENTER COMPLETION PLAN

The current Oregon Convention Center facility cost \$90 million, and was funded in part by a \$65 million general obligation bond. The existing 500,000 square foot facility was originally designed to be completed and expanded at a later date. The total cost of the completion project is approximately \$97 million. The \$82.1 million bond will fund completion of the facility according to the original design, adding approximately 350,000 additional square feet to the existing space, bringing the total size to 850,000 square feet. All of the land necessary to complete the facility was purchased when the original facility was built. The new space is planned for the southwest corner of the site, currently the parking lot adjacent to Martin Luther King Jr. and Lloyd Boulevards. The plan includes the following additions:

- 100,000-115,000 square feet of clear span exhibit space
- A 35,000 square foot ballroom
- 30-40 new meeting rooms
- 30-35,000 square feet of lobby/pre-function space
- Two level of parking garage under the new space
- Ten loading docks with an expanded courtyard for trucks

(Some of these items may be replaced, deleted, or modified.)

OCC CAPACITY

The Oregon Convention Center is designed to generate economic activity, including jobs and tax revenue, in the tri-county region. The success of the Oregon Convention Center is measured by the number of visitors and the type of events it draws to the region. Since its opening in 1990, it has served nearly five million visitors and has generated more than \$2.2 billion in financial impact in the tri-county region, nearly double the original projections.

For the past three years, the facility has been operating at near its current capacity. It is turning away convention business, and its more successful events are beginning to outgrow the OCC facility. Convention and trade show events, which typically reserve facility space several years

in advance, can shift future events to nearby convention facilities in Seattle, Salt Lake City, Long Beach, and Phoenix which have undertaken expansion programs. If the OCC facility is not expanded, the larger and more profitable events will be diverted away from the tri-county region.

COST OF THE BONDS

The cost of the bonds is \$82.1 million, to be paid over 30 years. The rate to homeowners is less than 9 cents per \$1000 of assessed value. The cost to a typical \$100,000 home is estimated at \$9.72 per year.

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BALLOT TITLE

MEASURE 26-69

CAPTION:

Bonds to expand and complete the Oregon Convention Center.

QUESTION:

Shall Metro issue \$82,030,000 of general obligation bonds to finance Oregon Convention Center expansion and completion? If bonds are approved, they will be payable from taxes on property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

EXPLANATION:

The measure authorizes \$82,030,000 in bonds for capital construction and improvements to expand and improve the Oregon Convention Center. Approval of the measure will complete the Oregon Convention Center, increase exhibition, meeting room, and lobby/prefunction space, parking, and add a ballroom. It will increase facility capacity, allowing the facility to serve larger events, multiple events at the same time, and expanded event schedule. The completed Oregon Convention Center will generate employment, tax revenue, and a projected additional \$170 million economic impact on the tri-county region annually. Bonds mature in not more than 30 years. The maximum annual cost to the taxpayer is estimated to be \$9.72 on a \$100,000 home.