

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 13-07

For The Purpose of Approving Facility Rental Rates for Fiscal Year 2015-16 at the Portland Expo Center (Expo).

WHEREAS, the Metropolitan Exposition Recreation Commission (Commission) sets the rental rates for Commission facilities; and

WHEREAS, Expo staff recommends that the Commission increase Expo's rental rates in accordance with the market and other considerations regarding discounted space.

BE IT THEREFORE RESOLVED that the Commission approves the Expo's facility rental rates for fiscal year 2015-16 as set forth in Exhibit A.

Passed by the Commission on April 3, 2013.

Chair

Secretary-Treasurer

Approved As To Form:
Alison Kean Campbell, Metro Attorney

By:

Nathan A. Schwartz Sykes, Senior Attorney

MERC Staff Report

Agenda Item/Issue: Approval of Portland Expo Center (Expo Center) facility rental rates for fiscal year 2016.

Resolution No. 13-07

Date: April 03, 2013

Presented by: Matthew Rotchford

Background: As previously described at MERC Commission meetings held on March 2, 2011 and again on January 4, 2012, the Expo Center facility rates have undergone a lengthy review and evaluation. When the Expo Center facility rates were first established effective July 1, 1997, they included discounts based upon square footage used when exhibit halls were rented in various combinations. Consequently, the greater the total of exhibit hall square footage rented, the greater the facility rental discount. Over the years, a mathematical error overlooked the original intentions of this discount policy.

During the development of the FY14 budget, and in consideration of increasing expenditures as well as significant long-term financial obligations, staff determined to review the long established discounts toward decreasing those discounts over time and increasing revenue accordingly. Staff surveyed the facility rental rates of several other venues to determine the Expo Center's competitive placement in the region. It has been determined that the Expo Center remains very competitive, while still offering a positive value for our customers.

At the MERC Commission meeting held on January 4, 2012, the Commission considered and approved facility rental rates for the Portland Expo Center for three fiscal years: FY2013, 2014 and 2015. By doing so, the Commission took steps for corrective reduction of discounts and for staff to development a multi-year rental rate recommendation. These efforts have proven very successful for qualified events that are both; 180,000 square feet or larger, and have been continuous clients with MERC facilities for 15 years or greater.

In keeping with this methodology, staff has reviewed the previously approved 2013-2015 rate detail and has provided a schedule of rental rates for fiscal year 2016 for your consideration. Overall, this allows for standard 3% increases for individual areas and modest increases in outdoor exhibition space. This is the final corrective adjustment to the combination hall discounts and completes the corrective action to the target range discount goals as listed below:

- | | |
|----------------------------------|--------------------------------|
| • 20% (300,000 sq. ft and above) | • 10% (150,000-239,999 sq. ft) |
| • 15% (240,000-299,999 sq. ft) | • 5% (84,000-149,000 sq. ft) |

Fiscal Impact: This action anticipates overall increase in rental revenues through focused attention on combination hall discounting, multi-year pricing procedures and standard room rental increases of 3% in fiscal year 2016.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission, approve the Portland Expo Center facility rental rates, as presented, for fiscal year 2016 (July 1, 2015 - June 30, 2016).

Ticketed Rental Rates FY 16

Exhibit A to Resolution 13-07

Locations	Square Footage	FY 15	FY 16	
		Rental Rates Preapproved by Commission	Percent Increase from FY 15	Rental Rates
Combination Exhibit Halls				
ABCDE+	328,500	17,850	3.03%	18,390
CDE+	244,500	14,930	3.15%	15,400
ABCD+	220,500	12,625	3.13%	13,020
DE+	184,500	12,600	3.10%	12,990
ABC	144,000	7,725	3.04%	7,960
AC	108,000	5,745	3.05%	5,920
AB	84,000	4,475	3.02%	4,610
Exhibit Halls				
A	48,000	2,630	3.04%	2,710
B	36,000	2,080	2.88%	2,140
C	60,000	3,420	3.07%	3,525
D1	36,000	2,790	3.05%	2,875
D2	36,000	2,790	3.05%	2,875
D	72,000	5,580	3.05%	5,750
E1	54,000	4,125	3.03%	4,250
E2	54,000	4,125	3.03%	4,250
E	108,000	8,250	3.03%	8,500
Meeting Rooms				
A101	700	215	2.33%	220
D101	494	150	3.33%	155
D102	330	125	4.00%	130
D101-2	824	275	3.64%	285
D201	1300	385	2.60%	395
D202	784	215	2.33%	220
D203	784	215	2.33%	220
D204	784	215	2.33%	220
D205	204	155	3.23%	160
D202-3	1568	430	2.33%	440
D202-4	2352	645	2.33%	660
D203-4	1568	430	2.33%	440
D201-4	3652	1,010	4.46%	1,055
D201-5	3856	1,165	4.29%	1,215
E101	525	160	3.13%	165
E102	600	190	2.63%	195
E101-2	1125	350	2.86%	360
Miscellaneous				
Connector	4,500	350	2.86%	360
East Hall	4,400	660	3.03%	680
A Lobby	4,400	420	3.57%	435
A Lounge	1,500	200	2.50%	205
D Lobby	6,400	1,855	2.96%	1,910
D Lounge	1,240	545	2.75%	560
E Lobby	7,200	2,080	2.88%	2,140
Parking Lots				
All Parking Lots	803,556	16,875		17,675 *
Boneyard	16,000	350	2.86%	360
Lower Parking Lot 1 East	73,300	1,540		1,615 *
Lower Parking Lot 1 West	138,600	2,910		3,050 *
Lower Parking Lot 1	211,900	4,450		4,660 *
Lower Parking Lot 2	98,000	2,060		2,155 *
Lower Parking Lot 3	147,000	3,085		3,233 *
Lower Parking Lot 1-2	309,900	6,510		6,820 *
Lower Parking Lot 1-2-3	456,900	9,585		10,050 *
Lower Parking Lot 1W-2	236,600	4,970		5,205 *
Lower Parking Lot 1W-2-3	383,600	8,055		8,440 *
Upper Parking Lot 1	86,000	1,805		1,890 *
Upper Parking Lot 2	43,200	905		950 *
Upper Parking Lot 3	39,600	830		870 *
Upper Parking Lot 4	177,856	3,735		3,915 *
Upper Parking Lot 4 South	21,000	440		460 *
Upper Parking Lot 1-2	129,200	2,710		2,840 *
Upper Parking Lot 2-3	82,800	1,740		1,820 *
Upper Parking Lot 1-2-3	168,800	3,545		3,715 *
Upper Parking Lot 1-2-3-4	346,656	7,280		7,625 *
Upper Parking Lot Plaza	11,300	350	2.86%	360

* indicates a set rate
FY16 - 0.022 per sq ft.

Non-Ticketed Rental Rates FY 16

Exhibit A to Resolution 13-07

Locations	Square Footage	FY 15	FY 16	
		Rental Rates Preapproved by Commission	Percent Increase from FY 15	Rental Rates
Combination Exhibit Halls				
ABCDE+	328,500	21,125	3.01%	21,760
CDE+	244,500	17,650	3.03%	18,185
ABCD+	220,500	15,005	3.00%	15,455
DE+	184,500	14,925	2.98%	15,370
ABC	144,000	9,200	3.04%	9,480
AC	108,000	6,910	3.11%	7,125
AB	84,000	5,355	2.99%	5,515
Exhibit Halls				
A	48,000	3,225	3.10%	3,325
B	36,000	2,410	2.90%	2,480
C	60,000	4,050	3.09%	4,175
D1	36,000	3,320	3.01%	3,420
D2	36,000	3,320	3.01%	3,420
D	72,000	6,640	3.01%	6,840
E1	54,000	4,865	2.98%	5,010
E2	54,000	4,865	2.98%	5,010
E	108,000	9,730	2.98%	10,020
Meeting Rooms				
A101	700	215	2.33%	220
D101	494	150	3.33%	155
D102	330	125	4.00%	130
D101-2	824	275	3.64%	285
D201	1300	385	2.60%	395
D202	784	215	2.33%	220
D203	784	215	2.33%	220
D204	784	215	2.33%	220
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D202-3	1568	430	2.33%	440
D202-4	2352	645	2.33%	660
D203-4	1568	430	2.33%	440
D201-4	3652	1,030	2.43%	1,055
D201-5	3856	1,185	2.53%	1,215
E101	525	160	3.13%	165
E102	600	190	2.63%	195
E101-2	1125	350	2.86%	360
Miscellaneous				
Connector	4,500	350	2.86%	360
East Hall	4,400	755	3.31%	780
A Lobby	4,400	450	3.33%	465
A Lounge	1,500	215	2.33%	220
D Lobby	6,400	1,940	3.09%	2,000
D Lounge	1,240	545	2.75%	560
E Lobby	7,200	2,185	2.97%	2,250
Parking Lots				
All Parking Lots	803,556	16,875	2.86%	17,675 *
Boneyard	16,000	350		360
Lower Parking Lot 1 East	73,300	1,540		1,615 *
Lower Parking Lot 1 West	138,600	2,910		3,050 *
Lower Parking Lot 1	211,900	4,450		4,660 *
Lower Parking Lot 2	98,000	2,055		2,155 *
Lower Parking Lot 3	147,000	3,085		3,233 *
Lower Parking Lot 1-2	309,900	6,510		6,820 *
Lower Parking Lot 1-2-3	456,900	9,595		10,050 *
Lower Parking Lot 1W-2	236,600	4,970		5,205 *
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Upper Parking Lot 1	86,000	1,805		1,890 *
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Upper Parking Lot Plaza	11,300	350	2.86%	360

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