MERC Commission Meeting

January 6, 2010
12:30 pm

Oregon Convention Center
Room A 108-09
777 NE ML King Jr. Blvd.
Portland, Oregon

METROPOLITAN EXPOSITION RECREATION COMMISSION

MEETING:	Metropolitan Exposition Recreation Commission
DATE:	Wednesday, January 6, 2010
TIME:	12:30 PM
LOCATION:	Oregon Convention Center Room A 108-09 777 NE Martin Luther King Jr. Blvd.

AGENDA

	CALL TO ORDER	12:30 PM	
1.0	**QUORUM CONFIRMED**	12:30 PM	
2.0	**COMMISSIONER COMMUNICATIONS**	12:35 PM	
3.0	**INTERIM GENERAL MANAGER COMMENTS/COMMISSIONER QUESTIONS**	12:45 PM	Cheryl Twete
3.1	Commissioner Questions on Packet Information - Interim General Manager Executive Summary - Packet Information Only - November 2009 Financial Report - Packet Information Only - Update on MERC/Metro Business Practices Study - Packet Information Only - Title 6 Proposed Changes - Updates - Packet Information Only - MERC Venue Business Reports - Packet Information Only		
4.0	**OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS**	12:50 PM	
5.0	**ACTION AGENDA**		
5.1	**Resolution 10-01** For the Purpose of Authorizing an Amendment to Contract 1203 with Event Rental Communications	12:55 PM	Cheryl Twete
5.2	**Resolution 10-02** For the Purpose of Electing MERC Officers for FY 2009-10	1:00 PM	Ray Leary
6.0	**MERC ECONOMIC IMPACT ANALYSIS UPDATE REPORT PRESENTATION**	1:10 PM	Susan Sieger
	BREAK	1:45 PM	
7.0	**STRATEGIC DISCUSSION** PSU Graduate School Exposition Industry Trends and Expo Center Recommendations	1:50 PM	Shawn Duffy
ADJOURNMENT		2:30 PM	

Agenda items may not be considered in the order listed
For questions, call Lisa Brown at 503.731.7839

MERC Commission Meeting

January 6, 2010
12:30 pm

3.1 Packet Information Only

METROPOLITAN EXPOSITION RECREATION COMMISSION

A SERVICE OF METRO

December 30, 2009

To: MERC Commission

From: Cheryl Twete, Interim General Manager

Re: January 6, 2010 Commission Meeting

The January 6, 2010 Commission meeting includes some interesting presentations and a few action items. Susan Sieger of Crossroads Consulting, a firm advising convention, exposition and sports venues throughout the country, will present the MERC Fiscal Year (FY) 2008-2009 Economic and Fiscal Impact Report. Crossroads Consulting prepared the first MERC-wide report in 2008 and has consulted with the Oregon Convention Center for several years. The strategic discussion portion of the agenda will include a presentation by Portland State University Graduate School of Business students on business trends and recommendations for the Portland Expo Center. Both topics will be full of relevant information regarding venue business and our contribution to the regional economy.

Travel Portland Quarterly Report Rescheduled

The Travel Portland quarterly report was originally scheduled to be presented at the December meeting. Time constraints and other pending agenda items caused this agenda item to be moved to the March 3, 2010 meeting. At that time, Travel Portland CEO Jeff Miller will present a semi-annual report including information from the first two quarters of this fiscal year.

Below is a brief summary of ongoing projects for your information. While I do not intend to discuss these in my meeting remarks, I will be happy to answer any questions you may have.

MERC-Metro Business Practices Study

This comprehensive review of MERC and Metro business systems and processes continues. As you may recall, the following areas are currently under review:

- Information services
- Finance, budgeting and accounting
- Legal and procurement
- Construction management
- Facility operations, maintenance and guest services
- Human resources and labor relations

- Government relations, PR and marketing

Work teams are assessing how the two entities perform the functions listed above and are beginning to explore ways in which adoption of one entity's practice might prove beneficial to the other. The Project Committee meets weekly to report progress of the work teams, and the Steering Committee met for the third time on December 18.

A lot of information is being shared, team members are learning from each other and I believe participants are gaining a new appreciation for their counterparts' work. Final recommendations will be presented by the Project Committee to the Steering Committee at the end of January. I will continue to provide you updates as this process continues.

Metro Code Title VI Changes

On the December 17, Metro Ordinance No. 09-1229, which outlines the proposed amendments to Title VI, received its first reading before the Metro Council. A Council work session is scheduled for Tuesday, January 5 and the second reading, or final adoption, is scheduled for Thursday, January 28, 2010.

Some of you may have attended or plan to attend all or some of these Council meetings. Metro Chief Operating Officer (COO) Michael Jordan will attend the Commission meeting next week but will not present prepared comments. He will, however, be available to answer any questions you may have.

Commission Schedule – 3 Month Glance

Attached please find the list and dates of Commission events for the months of January, February and March 2010. This was developed as a planning tool to help coordinate calendars on a quarterly basis and I hope you will find it helpful as we enter into a new busy year. Any calendar information you would like to add should be sent directly Lisa Brown at lisabrown@mercvenues.org.

Executive Office Move – Updated Key Contact List

Last week, the MERC Executive Office moved to the MERC Administrative Office, located at the north end of the Oregon Convention Center (OCC), where previous general manager offices have been located. Please note that this office differs from the OCC Administrative Offices which are located near the southern end of the building. Attached is an updated MERC Key Staff Contact List that reflects new phone numbers, mailing address and other information for Lisa Brown, Stephanie Soden and me.

Thank You to Commissioners McClain and Conkling

The terms for Commissioners Yvonne McClain and Gary Conkling expire on December 31, 2009. Both have been instrumental in guiding the organization through challenging issues while providing keen business expertise and advice. Thanks to them both for their exceptional service to MERC over the years.

New Commissioner Nomination

On January 7, the Metro Council is scheduled to consider the appointment of Terry Goldman to fill the Commission position representing the Washington County area recently vacated by Gary Conkling. Terry is Director of Sales and Marketing at InnSight Hotel Management Group and General Manager of the SpringHill Suites by Marriott, and a current member of the Tri-County Lodging Association Board, as well as Board Chair of the Washington County Visitors Association.

I look forward to working with Terry and know that the Commission and organization overall will benefit greatly from his industry expertise.

President Bragdon is actively working to find a replacement for Yvonne McClain. I will be sure to inform you as information becomes available.

2010 – MERC COMMISSION FY PLANNING CALENDAR

JANUARY		FEBRUARY		MARCH	
1	New Year's Day	1		1	
2		2	OCC Advisory Committe Mtg at OCC	2	
3		3	MERC Commission Meeting at OCC	3	MERC Commission Meeting at OCC
4		4		4	
5	Council Wk Session at Metro -Title 6	5		5	
6	MERC Commission Meeting at OCC	6		6	
7	Metro Council Mtg at Metro-New MERC Appt.	7		7	
8		8		8	
9		9		9	
10		10		10	
11	MERC Budget Committee Meet at OCC	11		11	
12		12		12	
13		13		13	
14		14		14	
15		15		15	
16		16	Potential Joint MERC/Metro Meet at Metro	16	
17		17		17	PCPA Advisory Committee Mtg at PCPA
18	MLK Holiday/Skanner Brkfst at OCC	18		18	
19		19		19	
20		20		20	
21		21		21	
22		22		22	
23		23		23	
24		24		24	
25		25		25	
26		26		26	
27		27		27	
28	Metro Council -Title 6-2nd Read	28		28	
29		29		29	
30		30		30	
		31			

Metropolitan Exposition Recreation Commission - Key Staff Contact Sheet

MERC Executive Office 777 NE Martin Luther King Jr. Blvd. Portland, Oregon 97232	Cheryl Twete, Interim General Manager 503.731.7837 – direct 503.318.9614 – cell cheryltwete@mercvenues.org	Stephanie Soden, Director of Communications & Strategic Development 503.731.7847 - direct 971.227.1195 - cell stephaniesoden@mercvenues.org	
	Lisa Brown, Executive Assistant to the Commission and the MERC General Manager 503.731.7839 – direct 503.729.7201 – cell lisabrown@mercvenues.org		
MERC Administration Office 777 NE Martin Luther King Jr. Blvd. Portland, Oregon 97232 503.731.7840	Julia Fennell, Controller 503.731.7821 – direct juliafennell@mercvenues.org	Cynthia Hill, Budget Manager 503.731.7829 cynthiahill@mercvenues.org	Joni Johnson, HR Manager 503.731.7844 jonijohnson@mercvenues.org
Oregon Convention Center (OCC) 777 NE Martin Luther King Jr. Blvd. Portland, Oregon 97232 503.235.7575	Jeff Blosser, Executive Director 503.235.7583 – direct 503.572.7721 – cell jeffblosser@oregoncc.org	Karen Totaro, Assistant Executive Director 503.731.7901 - direct 503.572.7734 - cell karentotaro@oregoncc.org	
Portland Center for the Performing Arts (PCPA) 1111 SW Broadway Portland, Oregon 97205 503.248.4335	Robyn Williams, Executive Director 503.274.6565 – direct 503.740.5028 – cell robynwilliams@pcpa.com	Lori Leyba-Kramer, Assistant Executive Director 503.274.6558 – direct 503.984.4512 - cell lorileybakramer@pcpa.com	
Portland Exposition Center (Expo) 2060 N. Marine Drive Portland, Oregon 97217 503.736.5200	Chris Bailey, Director 503.736.5202 – direct 503.312.2767 – cell cwb@expocenter.org	Matthew P. Rotchford, Sales & Events Manager 503.736.5203 - direct MPR@expocenter.org	

NOVEMBER 2009
PRELIMINARY

FINANCIAL INFORMATION

For Management Purposes only

Date: December 23, 2009

To:

Commissioner Ray Leary, Chair
Commissioner Elisa Dozono, Secretary-Treasurer
Commissioner Gary Conkling
Commissioner Yvonne McClain
Commissioner Judie Hammerstad
Commissioner Chris Erickson
Commissioner Cynthia Haruyama

Re: MERC Financial Information for the 5 months ended November 2009

This information summarizes the operating revenues and expenditures of the facilities managed by the Metro Exposition-Recreation Commission (MERC). These facilities include the Oregon Convention Center (OCC), the Portland Metropolitan Exposition Center (EXPO), and the Portland Center for the Performing Arts (PCPA). In addition, this report includes the cost of support services provided by MERC Administration. These reports omit substantially all disclosures required by generally accepted accounting principles. This report is intended solely for the information and use of the Commission and is not intended to be and should not be used by anyone other than the Commission.

Financial Highlights

Operating Results

- The revenue and expenditures are less than forecasted; the net operating result is 6% less budget or $607k and is higher than previous year by $43k.
- The year-to-date results indicate that the net F&B is better than budget by approximately 1% or $1.07 million and is better than prior year by $327k.
- Highest event revenue generators for the period:
  - **Expo**
    - 12176 ~ America's Largest Christmas Bazaar - $109k
      - Parking Fee's - $56k
    - 12168 ~ Portland Ski Fever & Snowboard Show - $108k
      - Parking Fee's (includes Exhibitor) - $42k
    - 14940 ~ Portland metro RV Dealers Fall RV Show of Shows - $83k
      - Exhibit Hall & Outdoor Space - $ 42k
  - **OCC**
    - 7429 ~ SC 2009 (Super Computing) - $1.25 million
      - F&B - $848k
    - 7656 ~ Coastal & Estuarine Research Foundation (CERF) '09 Conf- $ 152k
      - F&B - $105k
    - 6270 ~ National Association of Campus Activities (NACA) – Western Region - $87k
      - F&B - $47k
  - **PCPA**
    - 12457 ~ Association for Computing Machinery Reception - $249k
      - F&B - $235k
    - 11786 ~ Orphee - $74k
      - F&B – $22k
    - 11784 ~ OBT Retrospective to include Emeralds - $43k
      - Rent - $9k

Non – Operating Revenue

- Transient, Lodging Tax (TLT) is less than prior year to date by $559k.
- Expo Debt Service is paid semi annually. Approximately 76% or $900 thousand of the annual payment is budgeted and paid during the first half of the fiscal year, the remaining 24% or $288 thousand in the later part of the fiscal year.
- Metro Risk Management expenses are in the first period of each quarter. Approximately 67% of the annual budget or $326 thousand year-to-date.

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
All Departments
November 2009
As of December 11, 2009

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	November-09	November-09	November-08		November-09	42%
Operating						
Revenue	1,732,924	6,158,151	6,547,348	94%	17,892,339	34%
Revenue - Food and Beverage	1,750,647	5,498,806	4,817,272	114%	12,123,799	45%
Total Operating Revenue	**3,483,571**	**11,656,958**	**11,364,620**	**103%**	**30,016,138**	**39%**
Costs - Food and Beverage	(1,454,488)	(4,421,320)	(4,067,101)	109%	(9,579,028)	46%
Personal Services	(1,427,706)	(6,929,392)	(7,218,373)	96%	(18,534,604)	37%
Goods & Services	(837,147)	(2,787,956)	(2,543,130)	110%	(8,857,747)	31%
Marketing	(218,280)	(1,116,401)	(1,091,400)	102%	(3,057,043)	37%
Total Operating Expenses	**(3,937,622)**	**(15,255,068)**	**(14,920,004)**	**102%**	**(40,028,422)**	**38%**
Net Operating Results	**(454,051)**	**(3,598,110)**	**(3,555,384)**	**101%**	**(10,012,284)**	**36%**
Non Operating	(0)	-	-		-	
Transient, Lodging Tax	1,873,952	2,524,670	3,083,753	82%	10,930,634	23%
Government Support City of Portland	-	-	-	-	760,926	0%
Non-Operating Revenue	42,101	88,713	215,947	41%	861,543	10%
Non-Operating Expense	-	(2,503)	(2,503)	100%	(2,500)	100%
	1,916,053	**2,610,880**	**3,297,197**	**79%**	**12,550,603**	**21%**
Support and Risk Management						-
MERC Administration	0	-	-	-	-	-
Metro Support Services	(168,971)	(844,855)	(767,840)	110%	(2,027,654)	42%
Metro Risk Management	-	(325,716)	(388,509)	84%	(488,571)	67%
	(168,971)	**(1,170,571)**	**(1,156,349)**	**101%**	**(2,516,225)**	**47%**
Net Increase (Decrease)	**1,293,031**	**(2,157,802)**	**(1,414,536)**	**153%**	**22,094**	**-9766%**
Transfers						
Transfers from	-	-	-	-	-	-
Debt Service	(1,031,242)	(1,039,936)	(900,884)	115%	(1,340,890)	78%
Net Transfers	**(1,031,242)**	**(1,039,936)**	**(900,884)**	**115%**	**(1,340,890)**	**78%**
Net Operations	**261,789**	**(3,197,738)**	**(2,315,420)**	**268%**	**(1,318,796)**	**242%**
	(0)	-	-		-	
Capital						
Capital Outlay	(44,396)	(602,721)	(597,463)	101%	(3,256,415)	19%
Goods & Services	-	-	(6,056)	0%	-	-
Non-Operating Revenue	-	218,425	225,177	97%	1,557,000	14%
Net Capital	**(44,396)**	**(384,296)**	**(378,410)**	**102%**	**(1,006,925)**	**38%**
Fund Balance Inc (Dec)	**217,393**	**(3,582,034)**	**(2,693,830)**	**133%**	**(2,325,721)**	**154%**
	(0)	-	-		-	
Food and Beverage Gross Margin	**296,159**	**1,077,487**	**750,171**		**2,544,771**	**42%**
Food and Beverage Gross Margin	**16.9%**	**19.6%**	**15.6%**		**21.0%**	
Full Time Employees			**192.0**		**195.0**	
Excise Tax	**(84,809)**	**(479,991)**	**(220,593)**			
Taxes as percent of revenue	**35%**	**18%**	**21%**		**27%**	
Fund Balance						
Beginning Fund Balance		26,619,236	26,070,022		26,619,236	
Fund Balance Inc (Dec)		(3,582,034)	(2,693,830)		(2,325,721)	
Ending Fund Balance		**23,037,202**	**23,376,192**		**24,293,515**	
Unrestricted Fund Balance		11,135,377	11,851,619		12,931,691	
Contingency		1,325,708	2,064,067		1,325,708	
Contingency for Renewal & Replacement		970,000	520,000		970,000	
Designated for Renewal & Replacement		815,000	295,000		815,000	
Designated for Phase 3		1,339,841	1,154,728		1,339,841	
Contingency for HQH		3,700,000	3,700,000		3,700,000	
Contingency for HQH (PERS Rsvr - Prior)		1,486,398	1,704,212		1,486,398	
Designated for PERS Reserve - Current		375,187	-		375,187	
Designated for PERS Reserve - Prior		709,380	812,505		709,380	
Restricted by Contract - Aramark		-	93,750		-	
Restricted by Agreement - TLT		1,180,311	1,180,311		1,180,311	
Ending Fund Balance		**23,037,202**	**23,376,192**		**24,833,516**	
		-	-			
Strategic Goal		**15,079,863**	**13,583,854**		**15,079,863**	
Available for Strategy Goal		13,431,085	14,435,686		15,227,399	
Excess (Gap)		**(1,648,778)**	**851,832**		**147,536**	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Portland Exposition Center
November 2009
As of December 11, 2009

	Current Month Actual November-09	Current Year to Date Actual November-09	Prior Year to Date Actual November-08	% of Prior Year	2009-10 Adopted Budget November-09	% of Annual Budget 42%
Operating						
Revenue	442,725	1,328,566	1,436,299	92%	3,705,306	36%
Revenue - Food and Beverage	107,003	435,510	562,354	77%	2,133,289	20%
Total Operating Revenue	**549,728**	**1,764,076**	**1,998,652**	**88%**	**5,838,595**	**30%**
Costs - Food and Beverage	(63,284)	(359,072)	(456,135)	79%	(1,570,435)	23%
Personal Services	(122,976)	(588,801)	(651,102)	90%	(1,545,827)	38%
Goods & Services	(93,525)	(392,204)	(381,099)	103%	(1,284,421)	31%
Total Operating Expenses	**(279,785)**	**(1,340,077)**	**(1,488,335)**	**90%**	**(4,400,683)**	**30%**
Net Operating Results	**269,943**	**423,998**	**510,318**	**83%**	**1,437,912**	**29%**
Non Operating						
Non-Operating Revenue	3,943	7,077	46,152	15%	148,734	5%
Non-Operating Expense	-	-	-		-	-
	3,943	**7,077**	**46,152**	**15%**	**148,734**	**5%**
Support and Risk Management						
MERC Administration	(25,392)	(126,961)	(121,260)	105%	(304,707)	42%
Metro Support Services	(16,897)	(84,485)	(76,785)	110%	(202,766)	42%
Metro Risk Management	-	(47,163)	(52,920)	89%	(70,743)	67%
	(42,289)	**(258,609)**	**(250,965)**	**103%**	**(578,216)**	**45%**
Net Increase (Decrease)	**231,597**	**172,467**	**305,505**	**56%**	**1,008,430**	**17%**
Transfers						
Transfers from	-	-	-	-	-	-
Debt Service	(900,316)	(900,316)	(891,916)	101%	(1,188,632)	76%
Net Transfers	**(900,316)**	**(900,316)**	**(891,916)**	**101%**	**(1,188,632)**	**76%**
Net Operations	**(668,719)**	**(727,849)**	**(586,411)**	**124%**	**(180,202)**	**404%**
Capital						
Capital Outlay	-	(58,146)	(104,178)	56%	(367,500)	16%
Non-Operating Revenue	-	-	(183)	0%	187,500	0%
Net Capital	**-**	**(58,146)**	**(104,361)**	**56%**	**(180,000)**	**32%**
Fund Balance Inc (Dec)	**(668,719)**	**(785,995)**	**(690,772)**	**114%**	**(360,202)**	**218%**
Food and Beverage Gross Margin	**43,719**	**76,438**	**106,219**		**562,854**	**14%**
Food and Beverage Gross Margin %	**40.9%**	**17.6%**	**18.9%**		**26.4%**	
Full Time Employees			**13.3**		**13.3**	
Excise Tax	**(35,199)**	**(99,551)**	**(40,444)**		**-**	
Fund Balance						
Beginning Fund Balance		5,745,316	6,069,250		5,745,316	
Fund Balance Inc (Dec)		(785,995)	(690,772)		(360,202)	
Ending Fund Balance		**4,959,321**	**5,378,478**		**5,385,114**	
Unrestricted Fund Balance		3,104,548	3,476,233		3,530,341	
Contingency		218,622	472,017		218,622	
Contingency for Renewal & Replacement		20,000	20,000		20,000	
Designated for Renewal & Replacement		40,000	20,000		40,000	
Designated for Phase 3		1,339,841	1,154,728		1,339,841	
Contingency for HQH (PERS Rsvr - Prior)		205,841	235,500		205,841	
Designated for PERS Reserve - Current		30,469			30,469	
Designated for PERS Reserve - Prior						
Ending Fund Balance		**4,959,321**	**5,378,478**		**5,385,114**	
		-	-		-	
Strategic Goal (6 mo, debt)		**3,386,974**	**3,257,115**		**3,386,974**	
Available for Strategy Goal		3,343,170	3,968,250		3,768,963	
Excess (Gap)		**(43,804)**	**711,135**		**381,989**	

Metropolitan Exposition-Recreation Commission

MERC Statement of Activity with Annual Budget

Oregon Convention Center

November 2009

As of December 11, 2009

	Current Month Actual	Excluding HQH Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	November-09	November-09	November-08		November-09	42%
Operating						
Revenue	738,447	3,015,513	2,659,662	113%	8,006,117	38%
Revenue - Food and Beverage	1,293,052	4,211,676	3,512,170	120%	8,550,083	49%
Total Operating Revenue	**2,031,498**	**7,227,189**	**6,171,831**	**117%**	**16,556,200**	**44%**
Costs - Food and Beverage	(1,154,989)	(3,362,944)	(2,953,961)	114%	(6,744,807)	50%
Personal Services	(718,724)	(3,533,536)	(3,417,726)	103%	(9,183,993)	38%
Goods & Services	(260,323)	(1,285,699)	(1,077,530)	119%	(3,985,888)	32%
Marketing POVA	(218,280)	(1,116,401)	(1,091,400)	102%	(3,057,043)	37%
Total Operating Expenses	**(2,352,317)**	**(9,298,580)**	**(8,540,617)**	**109%**	**(22,971,731)**	**40%**
Net Operating Results	**(320,818)**	**(2,071,390)**	**(2,368,786)**	**87%**	**(6,415,531)**	**32%**
Non Operating						
Transient, Lodging Tax	1,604,896	2,157,201	2,609,472	83%	8,975,971	24%
Non-Operating Revenue	32,053	41,228	87,992	47%	273,836	15%
Non-Operating Expense	-	(3)	(3)	100%	-	-
	1,636,950	**2,198,425**	**2,697,461**	**81%**	**9,249,807**	**24%**
Support and Risk Management						
MERC Administration	(137,118)	(685,592)	(654,810)	105%	(1,645,421)	42%
Metro Support Services	(91,244)	(456,220)	(414,630)	110%	(1,094,933)	42%
Metro Risk Management	-	(183,356)	(216,895)	85%	(275,033)	67%
	(228,362)	**(1,325,168)**	**(1,286,335)**	**103%**	**(3,015,387)**	**44%**
Net Increase (Decrease)	**1,087,769**	**(1,198,133)**	**(957,660)**	**125%**	**(181,111)**	**662%**
Transfers						
Transfers from	-	-	-	-	-	-
Debt Service	(130,926)	(139,620)	(8,968)	1557%	(152,258)	92%
Net Transfers	**(130,926)**	**(139,620)**	**(8,968)**	**1557%**	**(152,258)**	92%
Net Operations	**956,843**	**(1,337,754)**	**(966,628)**	**38%**	**(333,369)**	**401%**
				-		-
Capital				-		-
Capital Outlay	(14,219)	(275,232)	(379,381)	73%	(2,269,990)	12%
Non-Operating Revenue	-	1,500	360	417%	887,500	0%
Transfers from	-	-	-	-	692,490	0%
Net Capital	**(14,219)**	**(273,732)**	**(379,021)**	**72%**	**(690,000)**	**40%**
Fund Balance Inc (Dec)	**942,624**	**(1,611,485)**	**(1,345,649)**	**120%**	**(1,023,369)**	**157%**
Food and Beverage Gross Margin	**138,062**	**848,733**	**558,209**		**1,805,276**	**47%**
Food and Beverage Gross Margin %	**10.7%**	**20.2%**	**15.9%**		**21.1%**	
Full Time Employees			**110.3**		**112.3**	
Excise Tax	**(49,253)**	**(379,899)**	**(179,903)**		**-**	
Taxes as percent of revenue	**44%**	**23%**	**30%**		**35%**	
Fund Balance						
Beginning Fund Balance		10,870,137	11,304,019		10,870,137	
Fund Balance Inc (Dec)		(1,611,485)	(1,345,649)		(1,023,369)	
Fund Balance Inc (Dec) for HQH		(4,750)	(198,054)		(200,000)	
Ending Fund Balance		**9,253,902**	**9,760,316**		**9,646,768**	
Unrestricted Fund Balance		1,281,666	2,039,438		2,214,533	
Contingency		1,046,167	979,337		1,046,167	
Contingency for Renewal & Replacement		250,000	250,000		250,000	
Designated for Renewal & Replacement		475,000	225,000		475,000	
Contingency for HQH		3,700,000	3,700,000		3,700,000	
Contingency for HQH (PERS Rsvr - Prior)		1,131,796	1,292,480		1,131,796	
Designated for PERS Reserve - Current		188,962			188,962	
Designated for PERS Reserve - Prior						
Restricted by Contract - Aramark			93,750			
Restricted by Agreement - TLT		1,180,311	1,180,311		640,310	
Ending Fund Balance		**9,253,902**	**9,760,316**		**9,646,768**	
		-	-		-	
Strategic Goal (3 mo)		**5,742,933**	**5,151,674**		**5,742,933**	
Available for Strategy Goal		2,577,833	3,268,775		3,510,700	
Excess (Gap)		**(3,165,100)**	**(1,882,899)**		**(2,232,233)**	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Portland Center for the Performing Arts
November 2009
As of December 11, 2009

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	November-09	November-09	November-08		November-09	42%
Operating						
Revenue	549,718	1,804,558	2,443,288	74%	6,142,416	29%
Revenue - Food and Beverage	350,593	851,620	742,748	115%	1,440,427	59%
Total Operating Revenue	**900,311**	**2,656,178**	**3,186,036**	**83%**	**7,582,843**	**35%**
Costs - Food and Beverage	(236,215)	(699,304)	(657,005)	106%	(1,263,786)	55%
Personal Services	(438,676)	(2,016,767)	(2,229,939)	90%	(5,491,404)	37%
Goods & Services	(436,556)	(933,549)	(754,040)	124%	(2,735,243)	34%
Total Operating Expenses	**(1,111,447)**	**(3,649,620)**	**(3,640,984)**	**100%**	**(9,490,433)**	**38%**
Net Operating Results	**(211,136)**	**(993,443)**	**(454,947)**	**218%**	**(1,907,590)**	**52%**
Non Operating						
Transient, Lodging Tax	269,056	367,469	474,281	77%	1,954,663	19%
Government Support City of Portland	-	-	-	-	760,926	0%
Non-Operating Revenue	5,001	28,296	67,684	42%	408,973	7%
Non-Operating Expense	-	(2,500)	(2,500)	100%	(2,500)	100%
	274,057	**393,265**	**539,465**	**73%**	**3,122,062**	**13%**
Support and Risk Management						
MERC Administration	(91,412)	(457,061)	(436,540)	105%	(1,096,947)	42%
Metro Support Services	(60,830)	(304,150)	(276,425)	110%	(729,955)	42%
Metro Risk Management	-	(95,197)	(118,694)	80%	(142,795)	67%
	(152,242)	**(856,408)**	**(831,659)**	**103%**	**(1,969,697)**	**43%**
Net Increase (Decrease)	**(89,322)**	**(1,456,586)**	**(747,141)**	**195%**	**(755,225)**	**193%**
Transfers						
Transfers from	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-
Net Operations	**(89,322)**	**(1,456,586)**	**(747,141)**	**195%**	**(755,225)**	**193%**
Capital						
Capital Outlay	(21,251)	(176,463)	(113,903)	155%	(468,925)	38%
Goods & Services	-	-	(6,056)	0%	-	-
Non-Operating Revenue	-	216,925	225,000	96%	482,000	45%
Net Capital	**(21,251)**	**40,462**	**104,972**	**39%**	**13,075**	**309%**
Fund Balance Inc (Dec)	**(110,573)**	**(1,416,124)**	**(642,169)**	**221%**	**(742,150)**	**191%**
Food and Beverage Gross Margin	**114,378**	**152,316**	**85,743**		**176,641**	**86%**
Food and Beverage Gross Margin %	**32.6%**	**17.9%**	**11.5%**		**12.3%**	
Full Time Employees			**46.4**		**47.4**	
Taxes as percent of revenue	**23%**	**12%**	**13%**		**20%**	
Fund Balance						
Beginning Fund Balance		9,045,395	7,785,999		9,045,395	
Fund Balance Inc (Dec)		(1,416,124)	(642,169)		(742,150)	
Ending Fund Balance		**7,629,271**	**7,143,830**		**8,303,245**	
Unrestricted Fund Balance		5,887,921	5,564,876		6,561,895	
Contingency		(72,411)	466,449		(72,411)	
Contingency for Renewal & Replacement		700,000	250,000		700,000	
Designated for Renewal & Replacement		300,000	50,000		300,000	
Designated for PERS Reserve - Current		104,381			104,381	
Designated for PERS Reserve - Prior		709,380	812,505		709,380	
Ending Fund Balance		**7,629,271**	**7,143,830**		**8,303,245**	
		-	-			
Strategic Goal (6 mo)		**4,467,168**	**4,093,382**		**4,467,168**	
Available for Strategy Goal		6,515,510	6,281,325		7,189,484	
Excess (Gap)		**2,048,342**	**2,187,943**		**2,722,316**	

Metropolitan Exposition-Recreation Commission

MERC Statement of Activity with Annual Budget

Convention Center Headquarter Hotel Project

November 2009

As of December 11, 2009

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	November-09	November-09	November-08		November-09	42%
Operating						
Personal Services	-	-	(21,949)	0%	-	-
Goods & Services	-	(4,750)	(176,106)	3%	(200,000)	2%
Meetings Expense	-	-	*(85)*	0%	-	-
Developer Agreement I	-	-	-	-	-	-
Developer Agreement II	-	-	-	-	-	-
Communications Consulting	-	-	*(28,093)*	0%	-	-
Construction Consulting	-	*(4,750)*	*(30,281)*	16%	-	-
Financial Consulting	-	-	*(17,045)*	0%	-	-
Legal Consulting	-	-	*(97,677)*	0%	-	-
Management Consulting	-	-	-	-	*(200,000)*	0%
Market Consulting	-	-	*(2,925)*	0%	-	-
Project Management	-	-	-	-	-	-
	-	**(4,750)**	**(198,054)**	**2%**	**(200,000)**	**2%**
	-	-	-		-	
Net Operations	**-**	**(4,750)**	**(198,054)**	**2%**	**(200,000)**	**2%**

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
MERC Administration
November 2009
As of December 11, 2009

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	November-09	November-09	November-08		November-09	42%
Operating						
Revenue	2,034	9,515	8,099	117%	38,500	25%
Personal Services	(147,330)	(790,287)	(897,658)	88%	(2,313,380)	34%
Goods & Services	(46,743)	(171,754)	(154,356)	111%	(652,195)	26%
Net Operating Expenses	**(192,039)**	**(952,526)**	**(1,043,915)**	**91%**	**(2,927,075)**	**33%**
Non Operating						
Non-Operating Revenue	1,103	12,113	14,119	86%	30,000	40%
Non-Operating Expense	-	-	-	-	-	-
	1,103	**12,113**	**14,119**	**86%**	**30,000**	**40%**
Support and Risk Management						
MERC Administration	253,923	1,269,615	1,212,610	105%	3,047,075	42%
	253,923	**1,269,615**	**1,212,610**	**105%**	**3,047,075**	**42%**
Net Increase (Decrease)	**62,986**	**329,202**	**182,814**	**180%**	**150,000**	**219%**
Net Transfers	-	-	-	-	-	-
Net Operations	**62,986**	**329,202**	**182,814**	**180%**	**150,000**	**219%**
Capital						
Capital Outlay	(8,926)	(92,881)	-	-	(150,000)	62%
Non-Operating Revenue	-	-	-	-	-	-
Net Capital	**(8,926)**	**(92,881)**	**-**	**-**	**(150,000)**	**62%**
Fund Balance Inc (Dec)	**54,061**	**236,321**	**182,814**	**129%**	**-**	**-**
Full Time Employees			**22.0**		**22.0**	
Excise Tax	**(358)**	**(541)**	**(246)**		**-**	
Fund Balance						
Beginning Fund Balance		958,388	910,754		958,388	
Fund Balance Inc (Dec)		236,321	182,814		-	
Ending Fund Balance		**1,194,709**	**1,093,568**		**958,388**	
Unrestricted Fund Balance		861,243	771,072		624,922	
Contingency		133,330	146,264		133,330	
Contingency for HQH (PERS Rsvr - Prior)		148,761	176,232		148,761	
Designated for PERS Reserve - Current		51,375			51,375	
Designated for PERS Reserve - Prior						
Ending Fund Balance		**1,194,709**	**1,093,568**		**958,388**	
		-	-		-	
Strategic Goal (6 mo)		**1,482,788**	**1,081,683**		**1,482,788**	
Available for Strategy Goal		994,573	917,336		758,252	
Excess (Gap)		**(488,215)**	**(164,347)**		**(724,536)**	

PCPA MONTHLY ANALYSIS NOVEMBER 2009

FACILITY NAME	DATE	PRESENTER	EVENT	LOAD-IN/ LOAD-OUT DARK DAYS	NO. OF PERF.	TOTAL ATTEND.	PAID ATTEND.	% SOLD	GROSS TICKET SALES	RENT	CHARGES & REIMBURSE.	USER'S FEE	SOUVEN	GROSS FOOD & BEV.	GROSS REVENUE EARNED
KELLER	10/270to 11/3	Portland Opera	Orphee	14	4	7,364	6,510	78%	$445,623	$13,310	$32,953	$3,255	$0	$15,607	$65,125
	11/16 to 17	Broadway Across America	Lord of the Dance	0	2	4,523	4,489	75%	$179,648	$7,540	$8,452	$14,589	$660	$8,475	$39,716
	11/18	Portland Arts & Lectures	Al Gore	0	1	2,214	2,252	78%	$111,445	$1,855	$4,374	$6,308	$70	$1,861	$14,468
ASCH	10/27 to 11/1	Oregon Symphony	Classical #3	3	2	3,671	3,536	64%	$127,392	$2,060	$8,350	$1,768	$0	$3,772	$15,950
	11/3	Oregon Symphony	Bob McClung Memorial	0	1	166	0		$0	$0	$747	$0	$0	$1,817	$2,564
	11/4	Monqui Presents	David Gray	0	1	2,473	2,585	93%	$108,159	$6,720	$12,965	$6,162	$877	$11,341	$38,065
	11/5	Portland Arts & Lectures	Lydia Davis	0	1	1,559	2,037	73%	$59,386	$1,855	$2,638	$4,320	$92	$626	$9,531
	11/7 to 8	Oregon Symphony	Video Games Live	1	2	2,884	2,978	79%	$111,265	$9,820	$10,522	$1,489	$2,013	$6,719	$30,563
	11/9	America's Heroes	Veterans: A Night of Honor	0	1	700	701	23%	$14,275	$2,620	$4,477	$1,414	$42	$1,140	$9,693
	11/11	White Bird Presents	Shen Wei Dance Arts	2	1	2,059	2,043	74%	$60,515	$3,243	$19,591	$3,955	$77	$2,287	$29,153
	11/13	Oregon Symphony	Ian Anderson	2	1	2,137	2,140	77%	$135,842	$9,280	$6,845	$1,070	$438	$7,375	$25,008
	11/14	Portland Youth Philharmonic	Fall Concert	0	1	1,260	1,226	44%	$16,150	$780	$3,729	$613	$0	$1,492	$6,614
	11/15	PDX Symphonic Choir	Brahms Requiem	0	1	995	946	34%	$33,803	$2,545	$4,620	$2,604	$0	$1,111	$10,880
	11/21 to 23	Oregon Symphony	Classical #4	2	3	3,534	3,776	45%	$159,514	$3,265	$12,335	$1,888	$0	$3,329	$20,817
	11/24 to 29	Oregon Symphony	Pops #2	1	2	3,347	3,310	60%	$147,515	$1,505	$8,264	$1,655	$0	$2,930	$14,354
NEWMARK	11/1	PDX Piano International	Jonathan Biss	0	1	570	627	71%	$20,857	$1,135	$2,119	$792	$92	$287	$4,425
	11/2	Live Nation	John Cleese	0	1	806	852	97%	$50,694	$1,310	$3,842	$2,869	$510	$1,138	$9,669
	10/22 to 11/22	Oregon Children's Theatre	Charlie & Chocolate Factory	13	35	24,836	22,923	74%	$213,396	$6,240	$33,084	$3,567	$0	$2,063	$44,954
	11/12	City of Portland	Spirit of Portland Awards	0	1	251	0		$0	$0	$0	$0	$0	$677	$677
	11/13	NW Children's Outreach	Joe's Night Out	0	1	258	220	25%	$5,520	$1,135	$3,229	$455	$0	$253	$5,072
	11/27 to 28	The Portland Ballet	La Boutique Fantasque	2	4	2,358	2,265	64%	$46,995	$5,910	$9,150	$4,445	$0	$1,573	$21,078
WINNINGSTAD	9/21 to 11/8	Jane A. Theatre Company	Company	22	27	3,625	3,452	44%	$36,985	$12,575	$17,658	$3,454	$0	$546	$34,233
	11/9	American Public Media	Marketplace Money	0	1	248	200	69%	$1,152	$650	$1,189	$400	$0	$637	$2,876
	11/10 to 29	Tears of Joy	Rumpelstiltskin	8	18	2,147	2,696	51%	$16,831	$2,545	$3,253	$1,173	$0	$437	$7,408
	11-14 to 21	Super Project Lab	PDX Improvorama	0	3	336	334	38%	$3,724	$900	$49	$668	$0	$0	$1,617
BRUNISH HALL	10/19 to 11/22	Triangle Productions	Hats the Musical	17	18	1,732	1,717	60%	$41,729	$0	$7,952	$3,776	$249	$0	$11,977
A. HATFIELD HALL	11/7	PCPA Jazz at the ArtBar	Blue Cranes	0	1	50								$828	$828
	11/9	PCPA	Noontime Showcase	0	1	87								$30	$30
AHH-ASCH-Main St	11/19	Super Computing	Reception	0	1	1,800								$197,714	$197,714
	11/21	PCPA Jazz at the ArtBar	Shelly Rudolph	0	1	28								$529	$529
KELLER CAFÉ	November													$8,887	$8,887
ARTBAR	November													$15,321	$15,321
PCPA CATERING	November													$1,063	$1,063
		TOTALS		**87**	**138**	**78,018**	**73,815**	**62%**	**$2,148,415**	**$98,798**	**$222,387**	**$72,689**	**$4,460**	**$301,865**	**$700,859**

PCPA MONTHLY ANALYSIS NOVEMBER 2008

FACILITY NAME	DATE	PRESENTER	EVENT	LOAD-IN/ LOAD-OUT DARK DAYS	NO. OF PERF.	TOTAL ATTEND.	PAID ATTEND.	% SOLD	GROSS TICKET SALES	RENT	CHARGES & REIMBURSE.	USER'S FEE	SOUVEN.	GROSS FOOD & BEV.	GROSS REVENUE EARNED
KELLER	10/28 to 11/16	Portland Opera	Fidelio	15	5	5,924	8,106	68%	$551,828	$13,310	$35,953	$13,817	$0	$14,927	$78,007
	11/30	Wellstone Group	Reception	0	1	50	0	68%	$0	$0	$0	$0	$0	$1,834	$1,834
ASCH	11/1	Oregon Symphony	Classical 3	3	3	3,969	3,652	44%	$148,375	$3,265	$12,081	$6,391	$200	$3,436	$25,373
	11/4	Chamber Th. Product.	Encore!	0	1	1,592	1,592	57%	$0	$1,590	$2,694	$2,786	$0	$1,988	$9,058
	11/4	Oregon Symphony	Capitol Steps	0	1	1,857	2,033	73%	$101,396	$4,781	$3,518	$5,770	$254	$439	$14,762
	11/5	Monqui	Ray Lamontagne	0	1	2,412	2,505	90%	$74,920	$5,631	$8,911	$4,535	$920	$9,148	$29,145
	11/6	Live Nation	Alanis Morissette	0	1	1,401	1,366	50%	$78,532	$5,927	$13,968	$4,445	$975	$7,249	$32,564
	11/7	Double Tee	Experience Hendrix	0	1	2,707	2,638	96%	$127,195	$8,000	$10,857	$7,199	$1,027	$13,563	$40,646
	11/8	Portland Youth Philharm	Fall Concert	0	1	1,358	1,289	46%	$15,556	$780	$3,439	$679	$0	$1,462	$6,360
	11/9	Oregon Symphony	Inside the Score 2	1	1	1,571	1,616	58%	$37,389	$725	$4,160	$1,616	$0	$391	$6,892
	11/12	Square Peg Concerts	Jason Mraz	0	1	2,642	2,774	99%	$98,787	$7,441	$12,430	$5,580	$2,950	$9,867	$38,268
	11/13	ISEPP	Dr. Brian Greene	0	1	2,284	945	34%	$39,007	$3,340	$2,894	$4,298	$150	$533	$11,215
	11/14	Outside In	"Milk" Movie Premier	0	1	2,189	1,898	68%	$70,174	$3,298	$4,360	$4,213	$18	$3,242	$15,131
	11/10 to 17	Oregon Symphony	Classical 4	3	3	6,363	5,428	65%	$228,111	$3,080	$13,405	$9,499	$524	$5,407	$31,915
	11/20	Portland Arts & Lectures	Annie Leibovitz	0	1	2,554	2,436	88%	$60,964	$1,855	$3,332	$4,500	$884	$1,353	$11,924
	11/21	Transitional Youth	Seasonal Celebration	0	1	541	488	56%	$12,065	$545	$4,524	$854	$144	$858	$6,925
	11/20 to 24	Oregon Symphony	Classical 5	2	3	2,933	3,939	47%	$159,802	$2,895	$12,538	$6,893	$155	$3,925	$26,406
	11/28 to 30	Oregon Symphony	Pops 2	1	2	4,565	4,041	73%	$194,774	$1,320	$7,064	$7,072	$1,602	$3,293	$20,351
NEWMARK	10/31 to 11/25	Oregon Children's Thea.	James & the Giant Peach	8	39	27,313	30,977	90%	$108,610	$4,855	$36,720	$7,702	$0	$220	$49,497
	11/6	Portland Arts & Lectures	W. S. Merwin	0	1	373	398	45%	$5,799	$640	$980	$697	$128	$0	$2,445
	11/7	Andisheh Center	Evil Doers Comedy Show	0	1	500	609	69%	$17,087	$1,135	$1,914	$1,049	$56	$734	$4,888
	11/15	Live Nation	Louis CK	0	1	688	706	80%	$23,103	$1,270	$1,641	$1,308	$0	$301	$4,520
	11/20	Portland Adv. Federat.	Rosey Awards	0	1	330	211	24%	$19,291	$1,135	$1,696	$1,139	$0	$8,711	$12,681
	11/24	E-Town	Live Radio Show	0	1	841	777	88%	$33,118	$1,135	$5,065	$1,874	$676	$612	$9,362
	11/28	The Portland Ballet	La Boutique Fantasque	1	4	903	1,564	44%	$32,321	$5,225	$8,442	$2,806	$0	$1,138	$17,611
	11/30	PDX/Guadalajara S.C.	Fundraiser	0	1	121	52	6%	$1,740	$1,135	$4,776	$456	$0	$518	$6,885
WINNINGSTAD	10/12 to 11/9	Oregon Children's Theatre	Gossamer	7	45	7,119	11,679	89%	$75,678	$4,420	$11,279	$2,688	$0	$624	$19,011
	11/12 to 30	Tears of Joy	Jungle Book	5	20	1,347	2,692	46%	$21,872	$2,705	$3,174	$2,001	$0	$0	$7,880
	11/25	Diamond Way Buddhist	Lama Ole Nydahl	0	1	201	227	78%	$4,540	$650	$1,025	$397	$24	$0	$2,096
BRUNISH HALL	1016 to 11/9	Re-Theatre	King Lear	14	14	555	332	16%	$5,975	$0	$4,614	$656	$0	$96	$5,366
	10/17 to 11/22	Super Project Lab	Project Lab Improv	0	7	480	390	21%	$4,585	$1,800	$225	$1,239	$0	$0	$3,264
A. HATFIELD HALL	11/3	FEI Company	Reception	0	1	71	0		$0	$2,000	$61	$0	$0	$6,936	$8,997
ROTUNDA LOBBY	11/17	PCPA Volunteers	Sally Harmon Showcase	0	1	96	0		$0	$0	$0	$0	$0	$0	$0
FOOD & BEVERAGE	November	ArtBar	Concessions											$23,117	$23,117
		Keller Café	Concessions/Café											$7,926	$7,926
		AHH	Concessions											$153	$153
		TOTALS		**60**	**167**	**87,850**	**97,360**	**61%**	**$2,352,594**	**$95,888**	**$237,740**	**$114,159**	**$10,687**	**$134,001**	**$592,475**

Monthly Event and Attendance Summary
July 1, 2008 - June 30, 2009

MONTH	KELLER		ASCH		NEWMARK		WINNINGSTAD		BRUNISH		LOBBY/OTHER		TOTALS	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
July	4	7,901	9	14,095	5	1,328	2	207	0	0	18	3,232	38	26,763
August	29	58,527	3	4,492	4	1,100	7	429	3	209	7	2,200	53	66,957
September	12	19,586	12	23,745	16	4,861	23	3,787	0	0	2	282	65	52,261
October	19	34,550	24	41,255	20	7,474	32	7,108	8	280	2	231	105	90,898
November	12	21,956	24	42,739	48	31,641	40	7,870	21	813	2	167	147	105,186
December													0	0
January													0	0
February													0	0
March													0	0
April													0	0
May													0	0
June													0	0
Total to Date	76	142,520	72	126,326	93	46,404	104	19,401	32	1,302	31	6,112	408	342,065

Other includes Main Street

Monthly Event and Attendance Summary
July 1, 2009 - June 30, 2010

Month	KELLER		ASCH		NEWMARK		WINNINGSTAD		BRUNISH		LOBBY/OTHER		TOTALS	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
July	0	0	2	4,169	13	1,806	4	547	0	0	11	2,282	30	8,804
August	8	23,049	2	2,864	8	3,897	2	102	2	101	11	2,697	33	32,710
September	5	6,449	7	14,112	13	6,080	22	3,614	1	124	3	1,732	51	32,111
October	19	24,512	24	38,766	23	11,533	21	2,815	6	515	4	396	97	78,537
November	13	27,022	16	23,057	34	24,169	24	3,668	12	1,210	4	1,965	103	81,091
December													0	0
January													0	0
February													0	0
March													0	0
April													0	0
May													0	0
June													0	0
Total to Date	45	81,032	51	82,968	91	47,485	73	10,746	21	1,950	33	9,072	314	233,253

Other includes Main Street

Total to Date Change														
Events	-31	-61,488	-21	-43,358	-2	1,081	-31	-8,655	-11	648	2	2,960	-94	-108,812
Percentage	-41%	-43%	-29%	-34%	-2%	2%	-30%	-45%	-34%	50%	6%	48%	-23%	-31.8%

Expo Center Event Analysis

November 2009		Consumer	Trade	Misc.	Conv.	# of Events	Event Days	I/O Days	Use %	Attendance	Rental	Equipment	Concessions	Catering	Utilities	Parking	Total
Log Home Show	10.30-11.2	1				1	3	3		1,999	10,725	965	3,196		815	7,984	23,685
adidas Fall Clearance Event	5-8	1				1	4	3		14,091	12,140		2,241	858	1,802	30,614	47,655
Catlin Gabel School Rummage Sale	5-8	1				1	4	4		15,498	23,450		4,914	200	1,890	34,999	65,453
Portland Skifever and Snowboard Show	6-8	1				1	3	3		17,603	22,020		20,958		4,560	44,715	92,253
The Woodworking Show	6-8	1				1	3	3		3,287	8,925		7,252		2,831	8,180	27,188
Fall RV Show of Shows	12-15	1				1	4	3		6,573	41,900		11,778		5,388	20,922	79,988
The Great Train Expo	14-15	1				1	2	1		4,156	7,973	313	4,412		353	11,072	24,123
Rose City Gun and Knife Show	20-22	1				1	3	2		5,878	15,010	625	11,033		913	26,219	53,800
		8				**8**	**26**	**22**	**58%**	**69,085**	**142,143**	**1,903**	**65,784**	**1,058**	**18,552**	**184,705**	**414,145**
FY 2009-10 Year to Date																	
July		3				3	10	7	27%	17,662	88,958	1,375	100,895	5,000	9,689	87,906	293,823
August		4		1		5	10	8	12%	10,179	27,600	1,483	32,861		2,080	33,667	97,691
September		10		4		14	31	27	41%	30,039	136,994	3,106	81,530	5,349	29,648	134,313	390,940
October		5		5		11	24	18	32%	26,720	92,242	2,836	110,235	11,489	28,257	110,805	355,864
November		**8**				**8**	**26**	**22**	**58%**	**69,085**	**142,143**	**1,903**	**65,784**	**1,058**	**18,552**	**184,705**	**414,145**
December																	0
January																	0
February																	0
March																	0
April																	0
May																	0
June																	0
Total to Date		30		10		41	101	82	34%	153,685	487,937	10,703	391,305	22,896	88,226	551,396	1,552,463
Month to Month Comparison		**0**	**-1**	**-1**	**0**	**-2**	**-3**	**-3**	**-8%**	**-17,260**	**-39,004**	**-1,422**	**-67,440**	**-3,116**	**-4,119**	**-32,094**	**-147,195**
Year to Date Comparison		**3**	**-3**	**4**	**0**	**2**	**7**	**6**	**-7%**	**-15,787**	**-123,522**	**-5,073**	**-93,244**	**-37,449**	**-996**	**-12,069**	**-272,353**
FY 2008-09																	
July		4				4	13	10	29%	18,903	131,116	900	115,569	4,406	10,224	87,460	349,675
August		3				6	11	7	17%	12,106	44,824	6,573	54,633	36,664	2,616	27,676	172,986
September		7	1	4		12	25	18	42%	21,443	120,147	3,138	65,665	3,867	22,424	94,007	309,248
October		5	1	1		7	16	16	50%	30,675	134,225	1,840	115,458	11,234	31,287	137,523	431,567
November		**8**	**1**	**1**		**10**	**29**	**25**	**66%**	**86,345**	**181,147**	**3,325**	**133,224**	**4,174**	**22,671**	**216,799**	**561,340**
December		4		2		6	17	15	41%	36,513	94,245	1,550	126,758	1,171	11,024	133,049	367,797
January		6	1	7		14	32	15	90%	47,073	344,993	12,465	220,812	67,734	28,556	219,016	893,576
February		5		5		10	21	18	65%	80,093	186,992	2,260	411,629	27,557	49,936	290,688	969,062
March		7		3		10	23	16	53%	53,347	152,122	4,380	136,357	41,780	25,779	168,116	528,534
April		8	1	4		13	25	19	44%	48,604	164,993	2,970	252,183	46,830	10,754	86,341	564,071
May		5	1	3		9	16	14	22%	9,350	64,045	2,288	20,457	60,607	6,176	42,453	196,026
June		2	1	2		5	10	7	11%	9,456	32,885	2,854	25,799	2,205	2,088	32,130	97,961
Total to Date		64	7	32	0	106	238	180	44%	453,908	1,651,734	44,543	1,678,544	308,229	223,535	1,535,258	5,441,843

OCC EVENT ANALYSIS MONTHLY REVENUE REPORT
NOV 2009

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Eqip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
OCC NOV 2009 MISC NON-EVENT ACTIVITIES/BILLINGS	11/01/09	0	Accounting/ Non-Event	Accounting/Non-event	Accounting/Non-Event		0	30		$0	$59	$22,231	$53,121	$0	$0	$0	$0	$0	$0	$1,339	$0	$0	$76,751	$0
Mount Angel Abbey Seminary Benefit Dinner 2009	11/01/09	681	New	Dinner	Food & Beverage/Catering	Local	25,500	1		$0	$37,038	$6,192	$1,572	$0	$8,145	$0	$0	$0	$0	$275	$0	$3,081	$56,303	$0
NABVETS Career Fair	11/02/09	350	New	Trade Show	Tradeshow	Local	4,662	1		$0	$973	$0	$0	$0	$0	$0	$0	$0	$0	$698	$1,160	$0	$2,831	$1,160
Legacy/Epic Project Workflow Showcase	11/04/09	725	New	Meeting/Seminar	Meeting		35,161	1		$0	$2,178	$0	$3,792	$30	$8,332	$0	$750	$0	$0	$4,029	$5,200	$525	$24,836	$5,200
Lifesavers Breakfast 2009	11/05/09	475	Repeat	Breakfast	Food & Beverage/Catering	Local	34,200	1		$0	$10,927	$0	$0	$0	$4,099	$0	$0	$0	$0	$417	$1,000	$745	$17,188	$1,000
Portland's Annual Holiday Food and Gift Festival 2009	11/06/09	6,462	Repeat	Consumer/Public Show	Consumer Public	Local	312,038	3		$0	$0	$18,629	$0	$0	$400	$8,077	$225	$112	$974	$769	$20,400	$6,886	$56,471	$20,400
National Association of Campus Activities (NACA) - Western Region	11/05/09	630	Repeat	Annual Convention/Conference	Convention w/ Tradeshow	National	595,915	3	TRUE	$0	$47,083	$3,520	$0	$945	$9,092	$7,739	$225	$314	$0	$909	$21,600	$2,495	$93,922	$21,600
LERA Awards Program	11/04/09	60	Repeat	Meeting/Seminar	Meeting		1,772	1		$0	$1,154	$338	$0	$0	$0	$0	$0	$0	$0	$150	$0	$200	$1,843	$0
Portland Public Schools: Classified Connections	11/06/09	675	New	Meeting/Seminar	Meeting		31,730	1		$0	$22,180	$0	$3,176	$0	$915	$948	$600	$0	$0	$165	$3,340	$0	$31,324	$3,340
Body Mind Spirit Expo 2009	11/07/09	950	Repeat	Exhibits	Tradeshow		105,248	2		$0	$0	$0	$0	$0	$0	$1,756	$0	$0	$0	$275	$6,000	$459	$8,490	$6,000
Oregon Association of Defense Counsel Fall Seminar	11/06/09	97	Repeat	Meeting/Seminar	Meeting	State	8,700	1		$0	$4,005	$0	$0	$120	$960	$377	$0	$0	$0	$1,377	$1,200	$0	$8,039	$1,200
Oregon Law Institute - 22nd Annual Ethics CLE	11/06/09	105	Repeat	Meeting/Seminar	Meeting		6,300	1		$0	$1,006	$0	$56	$0	$275	$79	$0	$0	$0	$507	$1,400	$0	$3,323	$1,400
Project Sponsorship Training	11/06/09	23	Repeat	Meeting/Seminar	Meeting	Local	1,228	1		$0	$0	$0	$0	$30	$100	$0	$0	$0	$0	$0	$90	$0	$220	$90
NWP Shareholders Meeting	11/07/09	489	Repeat	Dinner	Food & Beverage/Catering	Local	17,100	1		$0	$51,108	$0	$0	$294	$5,325	$711	$0	$0	$0	$377	$0	$2,595	$60,410	$0
Shoulder to Shoulder 2009: 11th Annual Conference	11/10/09	950	Repeat	Annual Convention/Conference	Meeting	State	44,795	1		$0	$36,421	$522	$0	$250	$2,369	$761	$0	$0	$0	-$204	$3,615	$648	$44,382	$3,615
Urban League of Portland Annual Equal Opportunity Day Dinner	11/12/09	585	New	Community Event	Food & Beverage/Catering	Local	21,300	1		$0	$23,545	$1,277	$0	$0	$2,519	$129	$0	$0	$0	$293	$0	$1,005	$28,768	$0
Jesuit High School - Mother/Son Brunch	11/22/09	695	New	Breakfast	Food & Beverage/Catering	Local	17,100	1		$0	$14,892	$0	$0	$0	$1,354	$0	$0	$0	$0	$165	$0	$275	$16,686	$0
2009 Hoffman Construction Company Annual Meeting	11/21/09	480	Repeat	Annual Convention/Conference	Meeting		25,100	1		$0	$42,854	$0	$1,372	$150	$1,455	$684	$0	$0	$0	$684	$1,158	$400	$48,757	$1,158
Self I-dentity through Ho'oponopono	11/21/09	249	Repeat	Training	Meeting	Local	12,600	2		$0	$360	$0	$0	$90	$1,110	$0	$0	$0	$0	$360	$3,200	$0	$5,120	$3,200
Millie Lewis AMTC Rehearsal	11/22/09	80	Repeat	Meeting/Seminar	Meeting	Local	1,386	1		$0	$0	$0	$0	$0	$300	$0	$0	$0	$0	$0	$405	$0	$705	$405
Gem Faire Trade Show 2009	11/27/09	3,157	Repeat	Exhibits	Consumer Public		157,290	3		$0	$0	$6,279	$0	$360	$0	$6,539	$0	$0	$164	$1,375	$9,243	$5,238	$29,198	$9,243
Islamic Center of Portland - EID Aladha	11/27/09	3,000	Repeat	Annual Convention/Conference	Meeting	Local	122,000	1		$0	$0	$0	$0	$0	$231	$0	$0	$0	$0	$550	$2,000	$476	$3,257	$2,000
		20,918					1,581,125	59		$0	$295,783	$58,988	$63,089	$2,269	$46,982	$27,800	$1,800	$426	$1,138	$14,511	$81,011	$25,026	$618,822	$81,011

OCC EVENT ANALYSIS FOR HISTORICAL COMPARISON
NOVEMBER 2008

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Eqip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
American Diabetes Association Gala Auction	11/01/08	247	Repeat	Auction	Food & Beverage/Catering	Local	34,200	1	0		$0	$24,546	$907	$264	$1,170	$6,487	$1,532	$0	$0	$0	$0	$1,000	$2,435	$38,341	$1,000
OCC NOV 2008 MISC NON-EVENT ACTIVITIES/BILLINGS	11/01/08	1	Accounting/Non-Event	Accounting/Non-event	Accounting/Non-Event		0	30	0		$0	$129	$1,046	$85,901	$0	$0	$0	$0	$0	$0	$3,208	$0	$0	$90,285	$0
NWP Shareholders Meeting	11/01/08	589	Repeat	Dinner	Food & Beverage/Catering	Local	25,200	1	0		$0	$50,902	$0	$0	$249	$755	$516	$0	$0	$0	$525	$0	$1,000	$53,947	$0
Democratic Party of Oregon - Campaign Volunteer Appreciation Party on Election Night	11/04/08	5,000	Repeat	Meeting/Seminar	Meeting	Local	275,875	1	1		$0	$47,524	$25,787	$0	$150	$24,575	$963	$1,875	$0	$720	$550	$3,200	$4,153	$109,496	$3,200
The Oregonian Career Expo	11/03/08	700	Repeat	Consumer/Public Show	Tradeshow	Local	12,400	1	0		$0	$1,911	$0	$0	$0	$0	$0	$0	$0	$0	$165	$1,600	$130	$3,806	$1,600
Learning the Ropes - OSB Professional Liability Fund	11/05/08	191	Repeat	Meeting/Seminar	Meeting	State	52,000	3	1		$0	$18,884	$0	$624	$15	$100	$264	$0	$0	$0	$230	$7,475	$517	$28,110	$7,475
SEMICAPS	11/04/08	4	New	Meeting/Seminar	Meeting	Local	1,628	3	0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$470	$0	$470	$470
Imago Customer Meeting	11/05/08	15	New	Meeting/Seminar	Meeting	Local	1,010	1	0		$0	$564	$0	$0	$0	$400	$0	$0	$0	$0	$0	$290	$0	$1,254	$290
Oregon Peacemakers Conference 2008	11/05/08	575	Repeat	Meeting/Seminar	Meeting	Local	38,840	1	0		$0	$12,124	$739	$0	$1,016	$2,543	$176	$225	$0	$0	$165	$8,830	$133	$25,950	$8,830
Wordstock - Portland Book Festival 2008	11/07/08	5,225	Repeat	Consumer/Public Show	Consumer Public	Local	472,269	3	2	TRUE	$0	$5,477	$15,483	$0	$80	$450	$3,246	$298	$0	$621	$2,750	$21,275	$3,750	$53,429	$21,275
Portland's Annual Holiday Food and Gift Festival 2008	11/07/08	6,992	Repeat	Consumer/Public Show	Consumer Public	Local	469,844	3	3		$0	$95	$19,186	-$2,750	$75	$350	$11,904	$225	$482	$1,002	$950	$32,100	$7,000	$70,619	$32,100
Kaiser Permanente Service Awards Event	11/06/08	310	New	Dinner	Food & Beverage/Catering	Local	30,000	1	0		$0	$23,377	$1,416	$864	$0	$4,275	$665	$0	$0	$0	$0	$0	$1,713	$32,309	$0
Oregon State Bar - Secrets of the Great Breifwriters & Advanced Transactional Drafting	11/06/08	80	Repeat	Meeting/Seminar	Meeting	State	6,300	1	0		$0	$1,708	$0	$0	$20	$160	$0	$0	$0	$0	$25	$1,300	$0	$3,213	$1,300
Tech Tour 2008 Portland	11/06/08	40	New	Meeting/Seminar	Meeting	Local	3,126	2	0		$0	$3,258	$0	$0	$0	$126	$88	$0	$0	$0	$0	$910	$0	$4,382	$910
Oregon Opportunity Network Awards Banquet	11/06/08	368	New	Dinner	Food & Beverage/Catering	Local	12,600	1	0		$0	$16,422	$2,527	$0	$0	$463	$0	$0	$0	$0	$0	$0	$400	$19,812	$0
Oregon Mediation Association - Annual Convention	11/07/08	140	Repeat	Annual Convention/Conference	Convention	State	21,663	2	1		$0	$14,429	$354	$0	$0	$1,311	$0	$0	$0	$0	$0	$2,880	$100	$19,074	$2,880
Guide Dogs for the Blind 10th Annual Fall Luncheon	11/07/08	405	Repeat	Lunch	Food & Beverage/Catering	Local	20,668	1	1		$0	$15,480	$42	$0	$0	$6,205	$0	$0	$0	$0	$165	$300	$1,630	$23,822	$300
Oregon State Bar - Planning the Taxable Estate	11/07/08	230	Repeat	Meeting/Seminar	Meeting	State	9,883	1	0		$0	$5,019	$0	$48	$0	$195	$0	$0	$0	$0	$60	$2,100	$0	$7,422	$2,100
Oregon Law Institute Seminar: 21st Annual Ethics Seminar	11/07/08	200	Repeat	Meeting/Seminar	Meeting	State	4,105	1	0		$0	$2,337	$0	$72	$0	$320	$0	$0	$0	$0	$0	$1,195	$0	$3,924	$1,195
Team Univera Regional Meeting	11/08/08	500	Repeat	Meeting/Seminar	Meeting	Regional	63,831	1	1		$0	$10,051	$0	$0	$735	$1,685	$143	$0	$0	$0	$213	$11,375	$0	$24,202	$11,375

OCC EVENT ANALYSIS FOR HISTORICAL COMPARISON
NOVEMBER 2008

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Eqip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
Oregon Association of Defense Counsel 2008	11/07/08	140	Repeat	Meeting/Seminar	Meeting	State	10,405	1	0		$0	$6,233	$0	$0	$90	$983	$0	$0	$0	$0	$0	$1,450	$0	$8,756	$1,450
World Wide Group LLC	11/08/08	700	Repeat	Meeting/Seminar	Meeting	Regional	6,300	1	0		$0	$65	$0	$0	$0	$120	$0	$0	$0	$0	$165	$1,600	$0	$1,950	$1,600
2008 National Association for Interpreters Workshop	11/12/08	1,200	New	Annual Convention/Conference	Convention	National	612,115	4	4	TRUE	$0	$130,872	$11,650	$0	$600	$4,256	$4,261	$2,515	$550	$0	$950	$36,240	$4,221	$196,114	$36,240
Legacy/Epic Design Session 2	11/11/08	170	Repeat	Training	Meeting	Local	17,510	2	0		$0	$2,491	$0	$0	$140	$6,132	$0	$2,000	$0	$0	$0	$4,000	$0	$14,763	$4,000
Joint MPAC/JPACT Meeting	11/12/08	100	Repeat	Meeting/Seminar	Meeting	Local	4,000	1	0		$0	$1,303	$0	$0	$0	$1,077	$0	$0	$0	$0	$0	$1,050	$0	$3,430	$1,050
Shoulder to Shoulder 2008: 10th Annual Conference	11/13/08	750	Repeat	Annual Convention/Conference	Meeting	State	40,595	1	0	TRUE	$0	$31,330	$556	$0	$290	$3,570	$384	$0	$0	$0	$539	$3,290	$495	$40,454	$3,290
Community Health Collaboratives for Change: Action, Access & Outcomes	11/13/08	100	New	Meeting/Seminar	Meeting	Local	8,755	1	0		$0	$7,134	$46	$0	$0	$975	$25	$0	$0	$0	$0	$1,630	$100	$9,910	$1,630
SDR presents Socorro Herrera	11/14/08	55	New	Meeting/Seminar	Meeting	Local	2,712	1	0		$0	$471	$0	$0	$45	$180	$0	$0	$0	$0	$0	$790	$0	$1,486	$790
Oregon Law Institute Seminar - Representing Clients at the Oregon Legislature	11/14/08	45	Repeat	Meeting/Seminar	Meeting	State	1,875	1	0		$0	$392	$0	$56	$0	$100	$0	$0	$0	$0	$0	$545	$0	$1,093	$545
People to People Ambassadors Group Informational Meeting	11/15/08	1,200	New	Meeting/Seminar	Meeting	Local	8,200	1	0		$0	$0	$0	$858	$0	$225	$88	$0	$0	$0	$0	$2,150	$0	$3,321	$2,150
Oregon Business Association - 2008 Statesman Dinner	11/17/08	728	Repeat	Dinner	Food & Beverage/Catering	State	35,658	1	2		$0	$51,522	$2,939	$0	$15	$6,165	$0	$0	$0	$0	$275	$0	$2,834	$63,750	$0
Kelby Media Group	11/17/08	325	Repeat	Meeting/Seminar	Meeting	Local	12,600	1	0		$0	$684	$0	$0	$285	$850	$808	$0	$0	$0	$0	$3,200	$0	$5,827	$3,200
Oregon LERA Annual Conference	11/18/08	90	Repeat	Annual Convention/Conference	Meeting	State	16,578	1	1		$0	$7,230	$567	$0	$0	$878	$88	$0	$0	$0	$150	$2,420	$300	$11,633	$2,420
National Science Teachers Association	11/17/08	3,500	New	Annual Convention/Conference	Convention w/ Tradeshow	National	1,226,016	7	0	TRUE	$0	$21,540	$29,188	$0	$0	$1,780	$15,867	$18,122	$4,232	$0	$1,200	$59,500	$5,428	$156,856	$59,500
Gem Faire Trade Show 2008	11/21/08	4,672	Repeat	Exhibits	Consumer Public	Local	195,165	3	3		$0	$0	$9,024	$0	$905	$0	$8,339	$0	$0	$203	$275	$10,743	$3,930	$33,420	$10,743
Love and Logic Institute, Inc. " A Day with Jim Fay"	11/18/08	458	Repeat	Meeting/Seminar	Meeting	Regional	6,300	1	0		$0	$1,606	$0	$0	$0	$80	$0	$0	$0	$0	$64	$3,200	$0	$4,951	$3,200
Oregon Department of Human Services - Diversity Training	11/18/08	44	New	Meeting/Seminar	Meeting	State	1,818	1	0		$0	$0	$0	$0	$0	$75	$0	$0	$0	$0	$0	$445	$0	$520	$445
Kaiser PT/PO - Annual 2009 Goal Planning	11/19/08	8	New	Meeting/Seminar	Meeting	Local	0	1	0		$0	$628	$0	$24	$0	$0	$0	$0	$0	$0	$0	$175	$0	$827	$175
Oregon State Bar - Guns, Guantanamo, Road Rage, and Elections: A 2008 Constitutional Law Update	11/21/08	114	Repeat	Meeting/Seminar	Meeting	State	5,875	1	0		$0	$2,483	$0	$32	$0	$225	$0	$0	$0	$0	$25	$1,000	$0	$3,765	$1,000
Hoffman OM & Superintendant Meeting	11/21/08	110	Repeat	Meeting/Seminar	Corporate	Local	12,900	1	0		$0	$4,861	$0	$496	$100	$530	$0	$0	$0	$0	$0	$1,150	$0	$7,137	$1,150

OCC EVENT ANALYSIS FOR HISTORICAL COMPARISON
NOVEMBER 2008

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Eqip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
2008 Hoffman Construction Company Annual Meeting	11/22/08	531	Repeat	Annual Convention/Conference	Meeting	Local	25,100	1	0		$0	$54,714	$0	$2,382	$75	$1,455	$1,071	$0	$0	$0	$0	$1,200	$400	$61,297	$1,200
Travel Portland - Thank You Luncheon	11/22/08	16	New	Lunch	Food & Beverage/Catering	Local	1,158	1	0		$0	$497	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$497	$0
Jesuit High School - Mother/Son Brunch	11/23/08	610	New	Breakfast	Food & Beverage/Catering	Local	17,100	1	1		$0	$12,444	$0	$0	$0	$1,213	$0	$0	$0	$0	$165	$0	$275	$14,097	$0
Flag World Tour - Church of Scientology	11/28/08	153	New	Reception	Food & Beverage/Catering	Local	10,259	2	1		$0	$1,524	$0	$0	$120	$0	$645	$0	$0	$0	$0	$1,573	$0	$3,862	$1,573
2008 Festival of Trees	12/04/08	13,674	Repeat	Consumer/Public Show	Consumer Public	Local	967,027	4	6		$0	$92,079	$11,201	$336	$0	$36,827	$7,042	$3,162	$926	$670	$3,050	$22,050	$20,940	$198,282	$22,050
		51,305					4,801,463	100	28		$0	$686,341	$132,656	$89,207	$6,175	$118,095	$58,115	$28,422	$6,189	$3,216	$15,865	$255,701	$61,882	$1,461,865	$255,701

MERC Commission Meeting

January 6, 2010
12:30 pm

5.0 - MERC Action Agenda

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 10-01

For the Purpose of Authorizing the Amendment to Contract 1203 with Event Rental Communications

WHEREAS, on June 5, 2008, MERC staff issued the informal Request for Quotes #07-11, Two-Way Radio Maintenance on behalf of all three venues; and

WHEREAS, the contract was awarded to Event Rental Communications as it was the lowest responsible, responsive bidder; and

WHEREAS, the contract was $12,000 for one year with the option to renew for four additional years; and

WHEREAS, the contract has been amended once for 20% of the original amount; and

WHEREAS, the contractor has proven to be reliable and dependable,

BE IT THEREFORE RESOLVED AS FOLLOWS:

- The Metropolitan Exposition Recreation Commission hereby delegates to the Interim General Manager the authority to execute an amendment to the Event Rental Communications Contract for an additional $12,000 for the next year and for an increase in the contract amount not-to-exceed $12,000 per year for the additional years permitted by the contract at the discretion of the Interim General Manager.

Passed by the Commission on January 6, 2009.

____
Chair

Approved as to form:
Daniel B Cooper, Metro Attorney

____
Secretary-Treasurer

By: ______________________________
Nathan A. Schwartz Sykes, Senior Attorney

MERC STAFF REPORT

Agenda Item/Issue: For the Purpose of Authorizing the Amendment to Contract 1203 with Event Rental Communications

Resolution No.: 10-01

Date: January 6, 2010 **Presented by:** Cheryl Twete

Background: On June 5th, 2008, MERC issued an informal Request for Quotes for Two-Way Radio Maintenance for the Portland Center for the Performing Arts, the Oregon Convention Center, and the Portland Exposition Center. Two-way radios are utilized by most MERC event-related and guest services staff, as well as members of the operations, maintenance, custodial and security crews, as an efficient way to communicate throughout large facilities and campus complexes.

Notice was sent to four vendors, including three local companies and one within the First Opportunity Target Area (FOTA). Three responsive responsible quotes were received. In June 2008, Rental Communications, a FOTA company, was awarded the contract as it was determined to be the most responsible, responsive bidder.

Both the solicitation and the contract included language that the contract would be able to be amended for additional time after the initial contract period. The documents also stipulated that the contract amount, and any subsequent amended amounts, would be based on the unit prices included in the quote.

Currently the venues pay $750 per month on average for these services. It is expected that costs will remain the same, provided that business needs do not require the purchase of a significant number more radios to be serviced.

The MERC Contracting and Purchasing Policy states that the Commission must approve any amendment that brings the total contract amount to more than 20% of its original amount. The original contract awarded was $12,000. The contract was amended in December of 2009 for $2,400 (20% of the original contract amount) bringing the total value of the contract to $14,400.

Resolution 10-01 provides an amendment to Contract 1203 for services not to exceed $50,000, allowing extension of these services for a possible three years.

Fiscal Impact: If the agreement is amended to the full extent permitted by the solicitation, the estimated total contract amount should not exceed $50,000. Appropriation for two-way radio maintenance is included in the budget annually and funded from operating revenues.

Other Considerations: None

Recommendation: Staff recommends that the Commission approve Resolution 10-01 for the purpose of authorizing the amendment to Contract 1203 with Event Rental Communications.

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 10-02

For the Purpose of Electing the Commission's Officers for Fiscal Year 2009-10.

WHEREAS, the Commission elects its officers by fiscal year; and

WHEREAS, at the July 2, 2009 special meeting of the Metropolitan Exposition-Recreation Commission, the Commission elected interim officers to serve until a full Commission had been appointed; and

WHEREAS, at the January 6, 2010 regular meeting of the Metropolitan Exposition-Recreation Commission, the following Commissioners were nominated and elected as the Commission Officers:

Chair: Ray Leary
Vice Chair: Judie Hammerstad
Secretary-Treasurer: Elisa Dozono

BE IT THEREFORE RESOLVED that the above Commissioners, of the Metropolitan Exposition-Recreation Commission, are hereby confirmed as officers for the remainder of fiscal year 2009-10.

Passed by the Commission on January 6, 2010.

Chair

Approved as to form:
Daniel B. Cooper, Metro Attorney

Nathan A. Schwartz Sykes, Senior Attorney

Secretary-Treasurer

MERC Commission Meeting

January 6, 2010
12:30 pm

6.0 - MERC Economic Impact Analysis Update Report Presentation

Economic and Fiscal Impact Analysis
Metropolitan Exposition Recreation Commission

Presentation
January 6, 2010

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Presentation Overview

- Purpose of the study and research tasks conducted
- General methodology
- Summary of economic and fiscal benefits attributable to the on-going operations of its assets
  - ➢ MERC facilities in aggregate
  - ➢ Oregon Convention Center (OCC)
  - ➢ Portland Center for the Performing Arts (PCPA)
  - ➢ Portland Metropolitan Exposition Center (Expo Center)
- Questions/discussion

Purpose of the Study and Research Tasks Completed

Purpose of the study:

- Estimate the economic and fiscal impacts associated with the on-going operations of MERC venues to the regional economy

Specific research tasks conducted by Crossroads Consulting included:

- Spoke with representatives of MERC and management from all three facilities
- Reviewed previous studies related to the economic impact of the arts to the Tri-County area
- Analyzed event-specific attendee and exhibitor surveys conducted by Expo Center staff at select consumer/trade shows in 2008 and 2009
- Incorporated relevant data and information from event producer surveys completed in 2008
- Developed financial models to estimate economic and fiscal impacts for each of the three facilities
- Used event data and financial operating statements supplied by facility management at each facility as inputs to the financial model
- Summarized the analysis into a written report

General Methodology Overview

Estimate Direct Spending at MERC Facilities Generated From:

Attendees
Event Producers
Cast/Crew
Exhibitors
Budgetary Spending

Estimate Spending Amounts By:

Scope of Event
(Local, State, Regional)

Type of Attendee
(Low Impact/High Impact)

Allocate Direct Spending into Industry Categories That Serve as Basis for Multiplier Analysis

Apply Multipliers Provided by Minnesota IMPLAN Group to Estimate Indirect & Induced Impacts Through Multiplier Effect

Estimate Total Economic Benefits From Operations of Venues

Spending
Employment
Earnings
Other Intangible Benefits

Estimate Fiscal Benefits From Operations of Venues

Personal Income Tax
Corporate Excise and Income Tax
Transient Lodging Tax
Motor Vehicle Tax
METRO Excise Tax

Overall Spending Multiplier for All Venues Combined = 1.8

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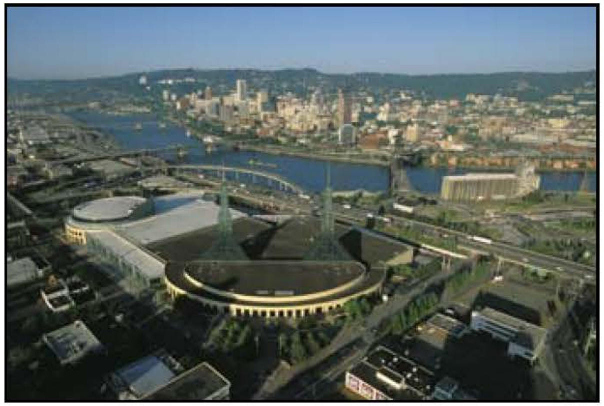
MERC Facilities



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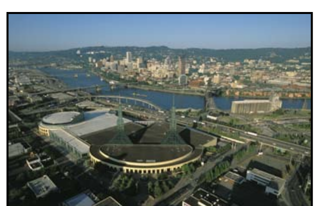
In Aggregate, MERC Facilities Hosted More Than 1,700 Events/Performances In FY 2009 That Attracted More Than 1.9 Million Attendees

- Although the total number of events/ performances held at MERC facilities in FY 2009 increased by 15% over the previous year, total attendance remained relatively consistent during the two-year period
- One of the direct spending components is the facilities' operating expenses. Between FY 2008 and FY 2009, total operating expenses increased by nearly 6%
- Direct spending generated by the combined MERC facilities decreased by approximately 4%
- Fiscal impacts decreased by less than 1%
- During this period, the economic benefits decreased at the OCC and the Expo Center but increased significantly at the PCPA

Summary of Key Data - MERC Facilities Combined		
Category	**FY 2008**	**FY 2009**
Utilization:		
Events/Performances	1,497	1,722
Total Use Days	2,908	3,192
Total Attendance	1,942,100	1,940,400
Financial Operations:		
Operating Revenues	$30,411,321	$30,032,163
Operating Expenses	$37,502,628	$39,702,772
Net Operating Results	($7,091,307)	($9,670,609)
Economic/Fiscal Impacts:		
Direct Spending	$307,394,000	$294,898,000
Indirect/Induced Spending	$227,073,000	$227,138,000
Total Spending	$534,467,000	$522,036,000
Total Employment (Full-time equivalents)	5,810	5,540
Total Earnings	$205,949,000	$203,672,000
Total Fiscal Benefits	$18,415,000	$18,292,000



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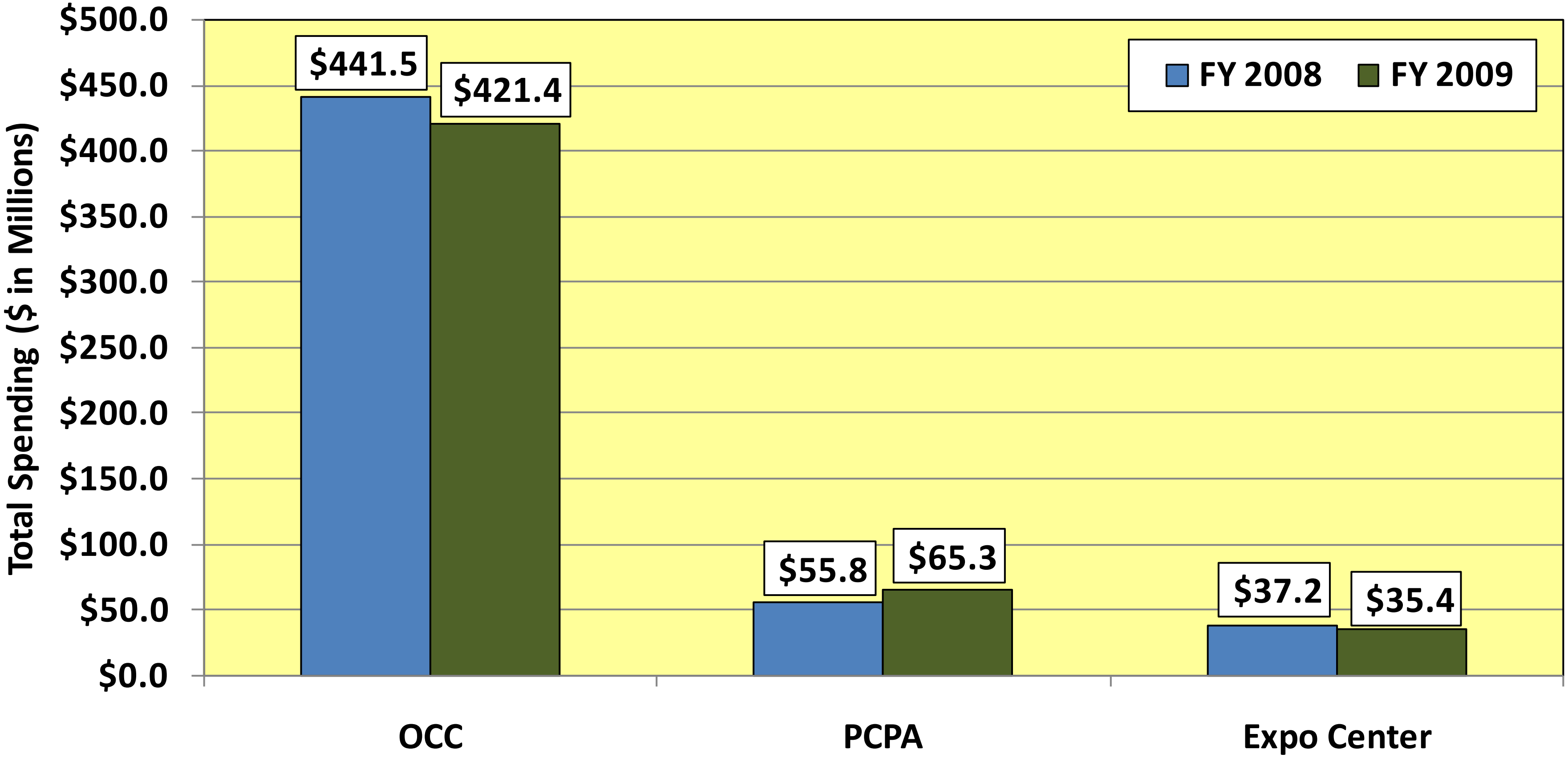
In FY 2009, MERC Facilities Generated More Than $522.0 Million In Total Spending (Including Direct, Indirect, and Induced Spending)



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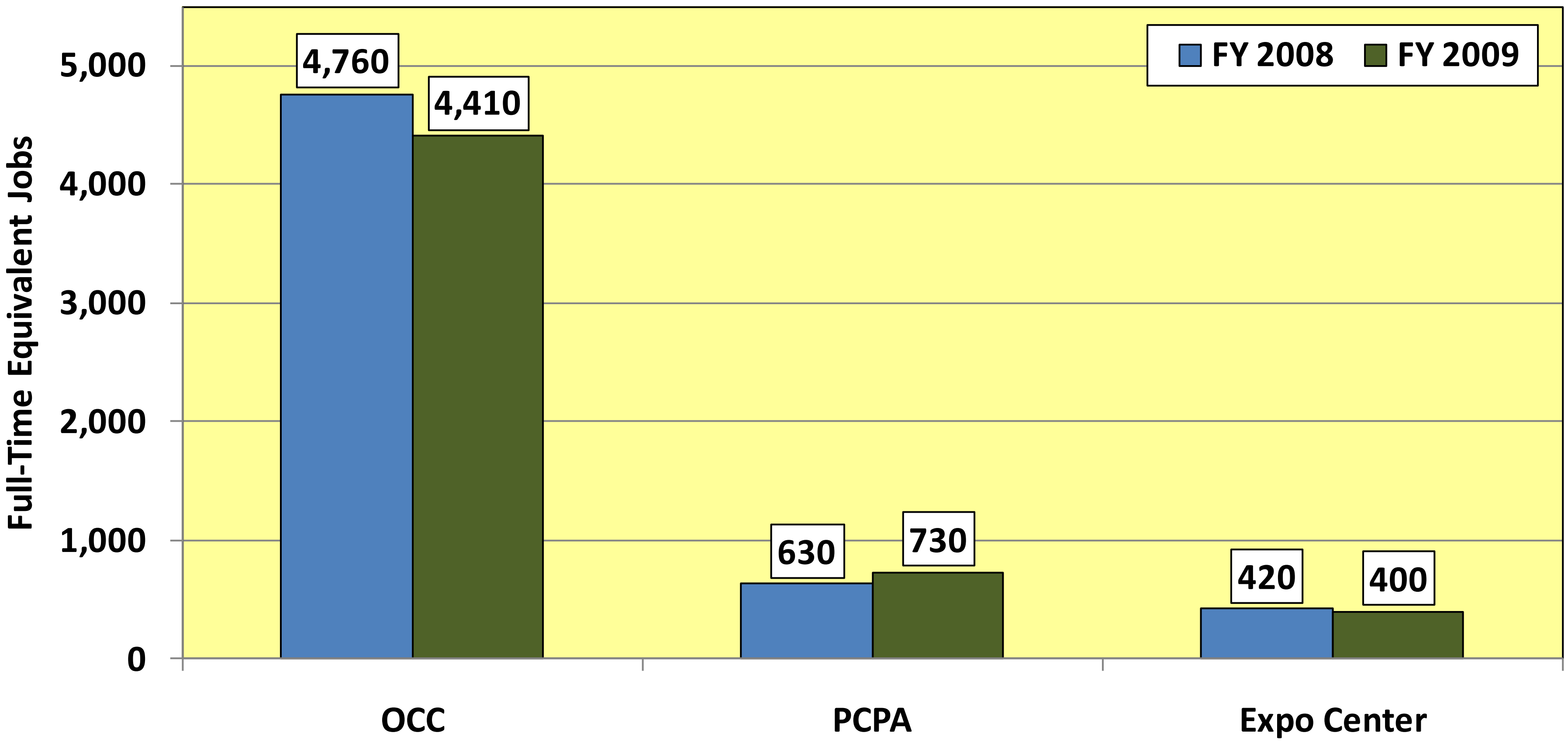
In Aggregate, Spending At MERC Facilities Supported More Than 5,500 Full-Time Equivalent Jobs In FY 2009

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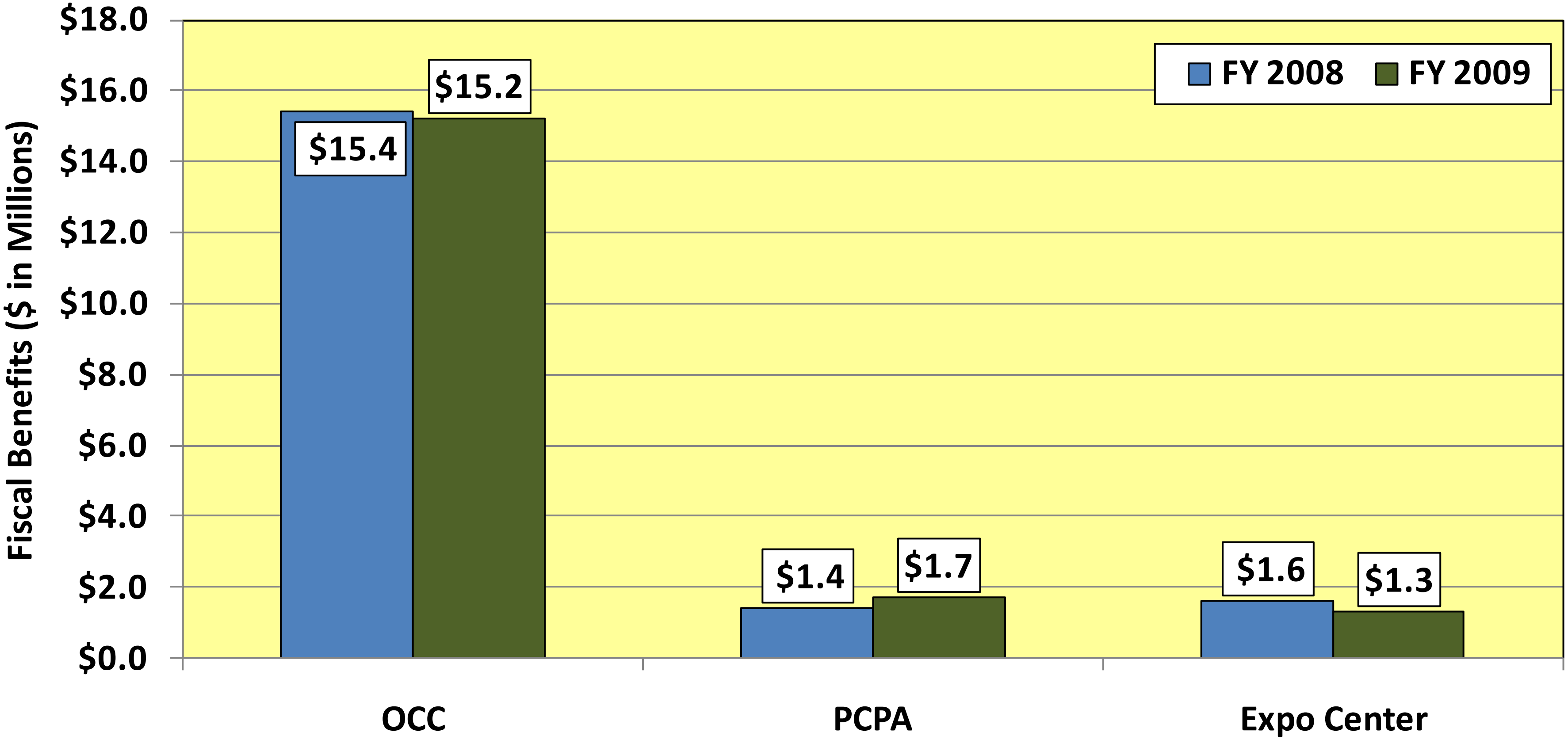
In FY 2009, MERC Facilities Combined Generated Approximately $18.3 Million In Fiscal Benefits



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The OCC Generates 83% Of The Fiscal Benefits From MERC Facilities And The State Of Oregon And Multnomah County Are The Primary Beneficiaries

Summary of Estimated Fiscal Benefits Generated from Operations of MERC Facilities in FY 2009					Percent
Category	**OCC**	**PCPA**	**Expo Center**	**Total**	**of Total**
State of Oregon					
Personal Income Tax	$5,385,000	$802,000	$430,000	$6,617,000	
Corporate Excise and Income Tax	797,000	127,000	69,000	993,000	
Transient Lodging Tax	577,000	61,000	33,000	671,000	
Subtotal	$6,759,000	$990,000	$532,000	$8,281,000	**45%**
Metro					
Excise Tax	$1,147,000	see note 1	$415,000	$1,562,000	**9%**
Clackamas County					
Transient Room Tax	$426,000	see note 2	see note 2	$426,000	**2%**
Multnomah County					
Transient Lodgings Tax (see note 3)	$5,156,000	$703,000	$381,000	$6,240,000	
Motor Vehicle Rental Tax	876,000	see note 4	see note 4	876,000	
Business Income Tax	132,000	28,000	15,000	175,000	
Subtotal	$6,164,000	$731,000	$396,000	$7,291,000	**40%**
Washington County					
Lodging Tax	$732,000	see note 2	see note 2	$732,000	**4%**
Total Tax Benefits	**$15,228,000**	**$1,721,000**	**$1,343,000**	**$18,292,000**	**100%**
Percent of Total	**83%**	**9%**	**7%**	**100%**	

Notes: (1) Amounts are rounded to the nearest thousand.
(2) No excise tax is collected from PCPA as part of the intergovernmental agreement with the City of Portland.
(3) Transient lodging tax associated with event activity at the PCPA and Expo Center is only estimated for Multnomah County because it is assumed that most benefits occur in this jurisdiction.
(4) Although Multnomah county collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland for a) its general fund and b) to fund Travel Portland.
(5) Motor vehicle rental tax was only calculated for event activity at the OCC.

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Oregon Convention Center

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Summary of OCC Activities and Economic/Fiscal Benefits

- Between FY 2008 and FY 2009, the total number of events and attendance at the OCC decreased by approximately 11%
- Attendee days also decreased by 15% during the same two-year period
- Attendee days at conventions and tradeshows decreased by 10% which negatively impacts both economic and fiscal impacts at the facility
- Direct spending estimated to be generated from OCC operations decreased by just over 6%
- Fiscal impacts decreased by 1%

Summary of Key Data - OCC		
Category	**FY 2008**	**FY 2009**
Utilization:		
Events/Performances	588	521
Total Use Days	1,244	1,128
Total Attendance	614,900	548,300
Total Attendee Days	1,000,279	854,100
Financial Operations:		
Operating Revenues	$16,862,107	$15,194,238
Operating Expenses	$23,131,279	$24,171,207
Net Operating Results	($6,269,172)	($8,976,969)
Economic/Fiscal Impacts:		
Direct Spending	$252,763,000	$236,803,000
Indirect/Induced Spending	$188,749,000	$184,554,000
Total Spending	$441,512,000	$421,357,000
Total Employment (Full-time equivalents)	4,760	4,410
Total Earnings	$171,453,000	$165,747,000
Total Fiscal Benefits	$15,417,000	$15,228,000




Summary of OCC Event Activity in FY 2009

- In FY 2009, the OCC hosted 521 events which drew total attendance of approximately 548,300 and generated approximately 854,100 attendee days

Summary of OCC Event Activity in FY 2009								
Event Type	Events		Total Attendance		Average Attendance	Total Attendee Days		Average Attendee Days
Conventions/Tradeshows	86	17%	158,899	29%	1,848	424,099	50%	4,931
Meetings	276	53%	80,368	15%	291	105,621	12%	383
Other	159	31%	308,993	56%	1,943	324,380	38%	383
Total	**521**	**101%**	**548,260**	**100%**		**854,100**	**100%**	

- Although approximately 85% of all events hosted at the OCC in FY 2009 were State/local in scope, approximately 44% of conventions/ tradeshows and 66% of related attendee days were from national/regional/international events

- Approximately 22% of attendee days at meetings were national/regional/international in scope suggesting that OCC management has been successful in booking more high impact meetings

Summary of OCC Event Activity in FY 2009										
	Events					Attendee Days				
Event Type	State/Local		National/Regional/ International		Total	State/Local		National/Regional/ International		Total
Conventions/Tradeshows	48	56%	38	44%	86	143,880	34%	280,219	66%	424,099
Meetings	246	89%	30	11%	276	82,115	78%	23,506	22%	105,621
Other	151	95%	8	5%	159	299,210	92%	25,170	8%	324,380
Total	**445**	**85%**	**76**	**15%**	**521**	**525,205**	**61%**	**328,895**	**39%**	**854,100**




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The Estimated $421.4 Million In Total Spending And 4,410 Jobs Are Significant To The Surrounding Region's Economy

Direct Spending
($ in millions)
from OCC Operations:

Attendees	$133.4
Association/Exhibitor	$79.2
OCC Budgetary	$24.2

Estimated Economic Benefits To the Tri-County Metropolitan Region From OCC Operations in FY 2009

Total Economic Benefits:	**Tri-County Region**
Direct Spending (Output)	$236,803,000
Indirect/Induced Spending	$184,554,000
Total Direct and Indirect/Induced Spending	$421,357,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	4,410
Total Direct and Indirect/Induced Earnings	$165,747,000
Total Economic Benefits:	**Clackamas County**
Direct Spending (Output)	$25,507,000
Indirect/Induced Spending	$19,961,000
Total Direct and Indirect/Induced Spending	$45,468,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	470
Total Direct and Indirect/Induced Earnings	$18,054,000
Total Economic Benefits:	**Multnomah County**
Direct Spending (Output)	$178,624,000
Indirect/Induced Spending	$139,138,000
Total Direct and Indirect/Induced Spending	$317,762,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	3,320
Total Direct and Indirect/Induced Earnings	$124,848,000
Total Economic Benefits:	**Washington County**
Direct Spending (Output)	$32,673,000
Indirect/Induced Spending	$25,453,000
Total Direct and Indirect/Induced Spending	$58,126,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	610
Total Direct and Indirect/Induced Earnings	$22,846,000

Notes: (1) Dollar amounts are rounded to nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) There may be slight differences due to rounding.
(4) Earnings represent the w ages and salaries earned by employees of businesses associated w ith or impacted by the facility.




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Tax Revenues Generated From OCC Operations And Related Spending In FY 2009 Were Estimated To Be Approximately $15.2 Million

Estimated Fiscal Benefits From OCC Operations

	FY 2009
State of Oregon	
Personal Income Tax	$5,385,000
Corporate Excise & Income Tax	797,000
Transient Lodging Tax	577,000
Subtotal	$6,759,000
Metro	
Excise Tax	$1,147,000
Subtotal	$1,147,000
Clackamas County	
Transient Room Tax	$426,000
Subtotal	$426,000
Multnomah County	
Transient Lodging Tax	$5,156,000
Motor Vehicle Rental Tax	876,000
Business Income Tax	132,000
Subtotal	$6,164,000
Washington County	
Lodging Tax	$732,000
Subtotal	$732,000
GRAND TOTAL	**$15,228,000**

Notes: (1) Amounts are rounded to the nearest thousand.
(2) Although Multnomah County collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland for a) its general fund and b) to fund Travel Portland.




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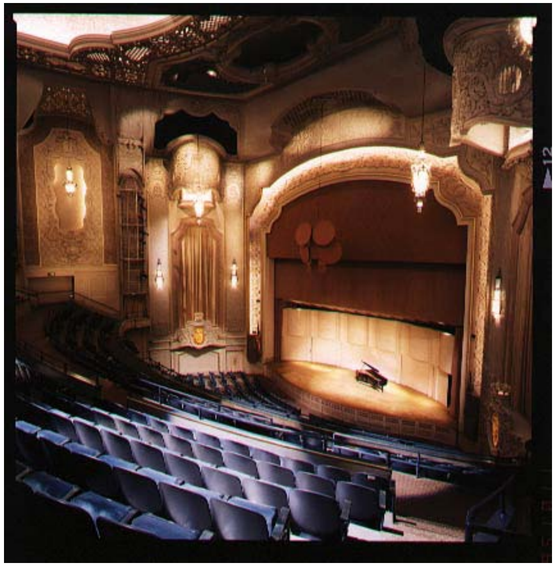
Qualitative Benefits of the OCC

- Enhancing the area's image as a business, meetings and tourist destination
- Receiving regional and national exposure through destination marketing and visitation
- Providing a first-class meeting venue for area residents and out-of-town delegates/attendees
- Unifying the market area and creating a more distinct identity
- Serving as a catalyst for urban redevelopment initiatives




PCPA


PORTLAND
PORTLAND
PORTLAND YOUTH PHILHARMONIC
MEI-ANN CHEN, CONDUCTOR & MUSIC DIRECTOR
SPONSORED BY STERLING SAVINGS BANK



Summary of PCPA Activities and Economic/Fiscal Benefits

- Total number of events/performances hosted by the PCPA increased by 36% and attendance increased by nearly 15%
- More specifically, the number of Broadway performances increased by 56% and total attendance increased by approximately 75%
- The number of concerts increased by 27% and total attendance increased by 16% over the two-year period
- Direct spending generated by PCPA operations increased by more than 15% and fiscal impacts increased by 22%

Summary of Key Data - PCPA		
Category	**FY 2008**	**FY 2009**
Utilization:		
Events/Performances	802	1,091
Total Use Days	1,227	1,615
Total Attendance	817,100	938,100
Financial Operations:		
Operating Revenues	$7,470,745	$9,259,380
Operating Expenses	$9,765,651	$10,885,600
Net Operating Results	($2,294,906)	($1,626,220)
Economic/Fiscal Impacts:		
Direct Spending	$32,748,000	$37,682,000
Indirect/Induced Spending	$23,034,000	$27,613,000
Total Spending	$55,782,000	$65,295,000
Total Employment (Full-time equivalents)	630	730
Total Earnings	$20,842,000	$24,692,000
Total Fiscal Benefits	$1,414,000	$1,721,000



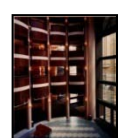
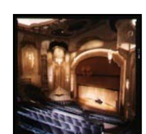

In FY 2009, PCPA Hosted Nearly 1,100 Performances That Accounted For More Than 1,600 Total Use Days And Over 938,000 Attendees

Summary of Event Activity at the PCPA in FY 2009				
Event Type	**Performances**	**Total Use Days**	**Total Attendance**	**Average Attendance Per Performance**
Performing Arts	677	1,104	454,063	671
Broadway	125	127	279,963	2,240
Lectures	30	30	41,778	1,393
Meetings/Receptions	41	43	6,068	148
Concerts	104	173	131,645	1,266
Miscellaneous Event	107	119	24,541	229
Miscellaneous Non-Event	7	19	-	-
Total	**1,091**	**1,615**	**938,058**	

Notes: (1) Miscellaneous events include film festivals, symphony rehearsals and graduations.
(2) Miscellaneous non-events include film shoots and symphony auditions.
(3) One event can have multiple performances.

- Approximately 62% of performances, 68% of total use days and 48% of total attendance were generated from performing arts related events
- Nine (9) Broadway shows accounted for approximately 30% of total attendance
- Concerts generated approximately 14% of the total attendance
- These shows contribute to the economic impact by attracting overnight attendees as well as cast, crew and production members from out-of-town that generate spending on items such as lodging, restaurants, entertainment and transportation



PCPA Operations Were Estimated to Generate Approximately $65.3 Million in Total Spending and 730 FTE jobs in FY 2009

Direct Spending
($ in millions)
from PCPA Operations:

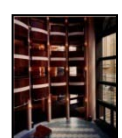
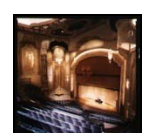
Attendees	$25.6
Producer/Cast/Crew	$1.2
PCPA Budgetary	$10.9

Estimated Economic Benefits From PCPA Operations

Category	FY 2009
Spending	
Direct Spending (Output)	$37,682,000
Induced/Indirect Spending	$27,613,000
Total Spending	$65,295,000
Total Earnings	$24,692,000
Total Employment (number of FTEs jobs)	730

Notes: (1) Dollar amounts are rounded to the nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) Earnings represent the w ages and salaries earned by employees of businesses associated w ith or impacted by the facility.



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Tax revenues generated from PCPA operations were estimated to be more than $1.7 million in FY 2009

Estimated Fiscal Benefits From PCPA Operations	
	FY 2009
State of Oregon	
Personal Income Tax	$802,000
Corporate Excise & Income Tax	127,000
Transient Lodging Tax	61,000
Total	$990,000
Multnomah County	
Transient Lodging Tax	$703,000
Business Income Tax	28,000
Total	$731,000
GRAND TOTAL	**$1,721,000**

Notes: (1) Amounts are rounded to the nearest thousand.
(2) No excise tax is collected from the PCPA.
(3) Although Multnomah County collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland for a) its general fund and b) to fund Travel Portland.

- Approximately 58% of estimated tax benefits were realized from the State of Oregon taxes compared to 42% by Multnomah County sources

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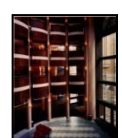
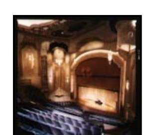
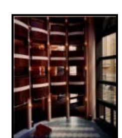
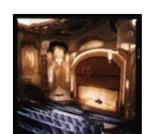



Qualitative Benefits of the PCPA

- Supporting the vibrancy of downtown Portland by attracting residents and visitors to business establishments, particularly during the City's off-season
- Contributing to art educational institutions including children's theatre
- Providing a venue for lectures, symposiums and other unique speaking engagements
- Generating public awareness and funding of arts organizations
- Providing an alternative entertainment option for both residents and visitors, including OCC convention attendees and business travelers
- Enhancing business for other area companies involved in related services purchased by arts organizations (e.g. advertising, transportation, printing, etc.)
- Attracting in-kind and cash contributions from local arts supporters



Expo Center

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Summary of Expo Center Activities and Economic/Fiscal Benefits

- Although the total number of events hosted by the Expo Center increased by nearly 3% between FY 2008 and FY 2009, attendance decreased by 11%
- In particular, total attendance at consumer/ public shows decreased by 5%
- In addition, total attendance associated with miscellaneous/ other events, such as Roller Derby, Sony Electronics Recycling Event, Girl Fest, etc., decreased by 55%
- Direct spending generated from Expo Center operations decreased by almost 7% and fiscal impacts decreased by just over 15%

Summary of Key Data - Expo Center

Category	FY 2008	FY 2009
Utilization:		
Events/Performances	107	110
Total Use Days	437	449
Total Attendance	510,100	454,000
Financial Operations:		
Operating Revenues	$6,078,469	$5,578,545
Operating Expenses	$4,605,698	$4,645,965
Net Operating Results	$1,472,771	$932,580
Economic/Fiscal Impacts:		
Direct Spending	$21,883,000	$20,413,000
Indirect/Induced Spending	$15,290,000	$14,971,000
Total Spending	$37,173,000	$35,384,000
Total Employment (Full-time equivalents)	420	400
Total Earnings	$13,654,000	$13,233,000
Total Fiscal Benefits	$1,584,000	$1,343,000

In FY 2009, The Expo Center Hosted 110 Events That Drew Approximately 454,000 People

Summary of Event Activity at the Expo Center in FY 2009						
Event Type	Events	Move-in/ Move-out days	Event Days	Total Use Days	Total Attendance	Average Attendance
Consumer/Public	56	161	169	330	407,717	7,281
Miscellaneous/Other	24	22	42	64	32,208	1,342
Meeting	19	1	20	21	1,607	85
Tradeshow/Convention	8	14	14	28	10,129	1,266
Food & Beverage/Catering	3	2	4	6	2,344	781
Total	**110**	**200**	**249**	**449**	**454,005**	

Note: Miscellaneous/Other includes events such as Roller Derby, Sony Take Back - Electronics Recycling Event, Girl Fest, etc.

- Consumer/public shows accounted for approximately 51% of events, 74% of total use days and 90% of total attendance
- Miscellaneous/other events which include Rose City Rollers derbies and corporate marketing events comprised 22% of total events and 7% of total attendance

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Expo Center Operations Were Estimated To Generate Approximately $35.4 Million In Total Spending And 400 FTE Jobs In FY 2009

Direct Spending ($ in millions) from Expo Center Operations:

Attendees	$11.5
Producer/Exhibitor	$4.2
Expo Budgetary	$4.6

Estimated Economic Benefits From Expo Center Operations

Category	FY 2009
Spending	
Direct Spending (Output)	$20,413,000
Induced/Indirect Spending	$14,971,000
Total Spending	$35,384,000
Total Earnings	$13,233,000
Total Employment (number of FTEs jobs)	400

Notes: (1) Dollar amounts are rounded to the nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) Earnings represent the w ages and salaries earned by employees of businesses associated w ith or impacted by the facility.

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Tax Revenues Generated From Expo Center Operations Were Estimated To Be More Than $1.3 Million In FY 2009

- Approximately 40% of tax revenues were estimated to be generated by State of Oregon taxes, 31% by the Metro excise tax, and 29% by Multnomah County sources
- The City of Portland may also benefit from Expo Center operations by hotel stays and the resulting portion of the transient lodging tax allocated to its general fund

Estimated Fiscal Benefits From Expo Center Operations	
	FY 2009
State of Oregon	
Personal Income Tax	$430,000
Corporate Excise & Income Tax	69,000
Transient Lodging Tax	33,000
Total	$532,000
Metro	
Excise Tax	$415,000
Total	$415,000
Multnomah County	
Transient Lodging Tax	$381,000
Business Income Tax	15,000
Total	$396,000
GRAND TOTAL	**$1,343,000**

Note: (1) Amounts are rounded to the nearest thousand.
(2) Although Multnomah County collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland to its general fund and to fund Travel Portland.



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Qualitative Benefits of the Expo Center

- Providing a means for Statewide wholesale and retail businesses to showcase their merchandise in an efficient manner
- Supporting smaller, local businesses by bringing a critical mass of buyers together to see their products
- Providing a venue for show producers to supply related industry educational sessions that are often funded by local municipalities elsewhere
- Enhancing show spin-off spending on related items (e.g., fuel, life-jackets and trailers for boat sales)
- Generating public awareness and funding of non-profit organizations' missions for related industries (e.g., several show producers spend a portion of their gate revenue on related non-profit groups and/or educational scholarships)
- Providing an alternative venue within Portland and the State of Oregon for larger consumer shows indirectly freeing exhibition space and dates at the OCC for conventions/tradeshows which generate more economic impact
- Providing an alternative entertainment option for residents and visitors, including OCC convention attendees
- Promoting the industries that host their events at the venue as well as enhancing business for other area companies involved in related services (e.g., advertising, transportation, printing, security, etc.)

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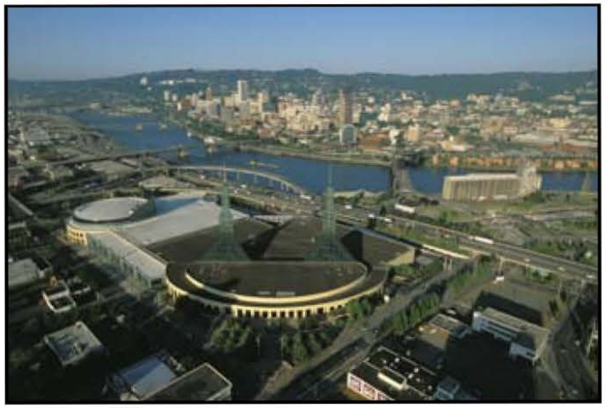
Questions/Discussion



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Economic and Fiscal Impact Analysis
Metropolitan Exposition Recreation Commission


Final Report
December 21, 2009

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December 21, 2009

Ms. Cheryl Twete, Interim General Manager
Metropolitan Exposition Recreation Commission
1111 SW Broadway Street
Portland, OR 97205

Dear Ms. Twete:

Per our agreement dated April 3, 2008, Crossroads Consulting Services LLC (Crossroads Consulting) has completed its economic and fiscal impact analysis for event activity occurring at the Oregon Convention Center (OCC), the Portland Center for the Performing Arts (PCPA), and the Portland Metropolitan Exposition Center (Expo Center) during fiscal year 2009. The report presented herein includes the summary of findings and principal conclusions from our research.

The findings and assumptions contained in the report reflect analysis of primary and secondary sources including information provided by management at each facility. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. In accordance with the terms of our original engagement letter, the accompanying report is restricted to internal use by the Metropolitan Exposition Recreation Commission (MERC) and may not be relied upon by any third party for any purpose. Notwithstanding these limitations, it is understood that this document may be subject to public information laws and, as such, can be made available to the public upon request. We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or conditions occurring after the date of this report.

This analysis does not constitute an examination, compilation or agreed upon procedures in accordance with the standards established by the American Institute of Certified Public Accountants (AICPA). As such, we do not express an opinion or any other form of assurance on whether the analysis is presented in conformity with AICPA presentation guidelines or on whether the underlying assumptions provide a reasonable basis for the presentation.

You have authorized reports to be sent electronically for your convenience. However, only the final hard copy report should be viewed as our work product.

We have enjoyed working on this engagement and our on-going relationship with MERC and look forward to the opportunity to provide you with continued service.

Sincerely,

Crossroads Consulting Services LLC

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Introduction

MERC is a subsidiary of Metro, an elected regional government. MERC is governed by a Board of Commissioners who are appointed by the Metro Council President upon recommendation from local area governments. Board members share a strong commitment to ensuring that the regional facilities they manage serve the public interest. The board composition includes seven members representing the City of Portland (two), Metro (two), and one each for Clackamas, Multnomah, and Washington Counties. The Commissioners serve four year terms.

MERC works to promote the livability and economic vitality of the Portland metropolitan area through sound stewardship, management and creative development of three public facilities — the OCC, the PCPA, and Expo Center. The mission of the OCC is to maximize economic benefit for the region and the State of Oregon while protecting public investment in the facility. As such, OCC management and marketing policies are aimed at attracting out-of-town visitors and creating new jobs to stimulate economic development while also accommodating local users. PCPA is a cultural hub for the metropolitan region hosting a variety of performances and entertainment events in its multiple theaters contributing to a vibrant and culturally rich region. The Expo Center is the region's primary destination for public events and consumer shows, some of which have been held there for 50 years. In aggregate, these venues hosted over 1,700 events/ performances in fiscal year (FY) 2009 that attracted more than 1.9 million people and offered a wide range of experiences for visitors and citizens that contributed to the overall quality of life in metropolitan Portland and the State of Oregon. These venues benefit the community by:

- Hosting a diverse range of cultural activities and experiences
- Providing gathering places for celebrations and business events
- Generating significant economic return through conventions/tradeshows, cultural performances, consumer shows and other events that draw out-of-town visitors and generate spending and jobs within the region

Introduction (cont'd)

MERC's role is to preserve these public facilities by managing maintenance of 1.5 million square feet of public event spaces and facilitating planning of major facility improvements to ensure these venues continue to meet the needs and expectations of event producers, performers, and audiences well into the future.

MERC manages a $43 million annual budget and generates most of its financial resources through its business enterprise operations. Approximately 70% of operating revenue comes from services and activities such as facility rentals, event services, food/catering, and parking. The remaining 30% of operating funds are generated by lodging industry taxes, government contributions, and investment earnings.

MERC's professional, market-driven approach helps ensure that the facilities in its portfolio achieve long-term success. In addition, staff members offer the highest level of customer service to provide clients and visitors with a positive, enjoyable experience. In order to maintain long-term fiscal viability, MERC is pursuing the following strategies:

- Building alliances with community and business partners
- Effectively marketing MERC venues to retain existing customers and attract new business
- Implementing sustainable practices in maintenance, preservation and capital improvement projects
- Employing prudent financial measures that protect the public investment and minimize debt
- Pursuing strategic initiatives to meet long-term business objectives and client needs

Introduction (cont'd)

The primary purpose of this study is to estimate the economic and fiscal impacts associated with the on-going operations of MERC venues to the regional economy. As such, the study also sought to obtain a better understanding of the impact that these facilities have on nearby businesses.

Specific research tasks conducted by Crossroads Consulting for the analysis include the following:

- Spoke with representatives of MERC and management from all three facilities.
- Reviewed previous studies related to the economic impact of the arts to the Tri-County area.
- Analyzed event-specific attendee and exhibitor surveys conducted by Expo Center staff at select consumer/trade shows in 2008 and 2009.
- Incorporated relevant data and information from event producer surveys completed in 2008.
- Developed financial models to estimate economic and fiscal impacts for each of the three facilities.
- Used event data and financial operating statements supplied by facility management at each facility as inputs to the financial model.
- Summarized the analysis.

Executive Summary - Overview

- This section of the report provides a summary of utilization, financial operations, economic impacts and fiscal benefits for the MERC facilities combined as well as for each of the three individual facilities for both FY 2008 and FY 2009.

- Depending on the particular facility, direct spending generated from attendees, associations/event producers and/or exhibitors as well as from facility expenditures are the key drivers for estimating economic impacts. In addition, the amount and type of event activity in terms of events and attendance can also influence direct spending and therefore economic and fiscal impacts.

- Total economic impact figures are calculated using IMPLAN multipliers, which were updated since last year's report to reflect more current regional economic transaction data. The total spending and income multipliers for the Tri-County Metropolitan Region increased in most categories while the employment multipliers decreased. The change in multipliers is another factor that affects the final economic and fiscal impact figures.

- Because the information presented in the executive summary is extracted from the more detailed analysis, it is important for the reader to review the report in its entirety in order to gain a better understanding of the methodology used to formulate our estimates of economic and fiscal impacts.

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Executive Summary - MERC Facilities Combined

- Although the total number of events/ performances held at MERC facilities in FY 2009 increased by 15% over the previous year, total attendance remained relatively consistent during the two-year period.
- One of the direct spending components is the facilities' operating expenses. Between FY 2008 and FY 2009, total operating expenses increased by nearly 6%.
- Between FY 2008 and FY 2009, the estimated direct spending generated by the combined MERC facilities decreased by approximately 4% while fiscal impacts decreased by less than 1%.
- During this period, the economic benefits decreased at the OCC and the Expo Center but increased significantly at the PCPA.
- The pages that follow summarize the estimated economic and fiscal benefits for each facility.

Summary of Key Data - MERC Facilities Combined

Category	FY 2008	FY 2009
Utilization:		
Events/Performances	1,497	1,722
Total Use Days	2,908	3,192
Total Attendance	1,942,100	1,940,400
Financial Operations:		
Operating Revenues	$30,411,321	$30,032,163
Operating Expenses	$37,502,628	$39,702,772
Net Operating Results	($7,091,307)	($9,670,609)
Economic/Fiscal Impacts:		
Direct Spending	$307,394,000	$294,898,000
Indirect/Induced Spending	$227,073,000	$227,138,000
Total Spending	$534,467,000	$522,036,000
Total Employment (Full-time equivalents)	5,810	5,540
Total Earnings	$205,949,000	$203,672,000
Total Fiscal Benefits	$18,415,000	$18,292,000

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Executive Summary - OCC

- Between FY 2008 and FY 2009, the total number of events and attendance at the OCC decreased by approximately 11%. Attendee days also decreased by 15% during the same two-year period. In particular, the number of attendee days at conventions and tradeshows decreased by 10% which negatively impacts both economic and fiscal impacts at the facility.
- Between FY 2008 and FY 2009, total operating expenses increased by nearly 5%.
- Based on the event activity and financial operations, the direct spending estimated to be generated from OCC operations decreased by just over 6%. Fiscal impacts decreased slightly by 1%.

Summary of Key Data - OCC

Category	FY 2008	FY 2009
Utilization:		
Events/Performances	588	521
Total Use Days	1,244	1,128
Total Attendance	614,900	548,300
Total Attendee Days	1,000,279	854,100
Financial Operations:		
Operating Revenues	$16,862,107	$15,194,238
Operating Expenses	$23,131,279	$24,171,207
Net Operating Results	($6,269,172)	($8,976,969)
Economic/Fiscal Impacts:		
Direct Spending	$252,763,000	$236,803,000
Indirect/Induced Spending	$188,749,000	$184,554,000
Total Spending	$441,512,000	$421,357,000
Total Employment (Full-time equivalents)	4,760	4,410
Total Earnings	$171,453,000	$165,747,000
Total Fiscal Benefits	$15,417,000	$15,228,000

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Executive Summary - PCPA

- Between FY 2008 and FY 2009, the total number of events/performances hosted by the PCPA increased by 36% and attendance increased by nearly 15%. More specifically, the number of Broadway performances increased by 56% and total attendance increased by approximately 75%. In addition, the number of concerts increased by 27% and total attendance increased by 16% over the two-year period. An increase in these high impact events affects the economic and fiscal impacts more positively than a similar increase in other types of events.

- During this two-year period, total operating expenses increased by nearly 12%.

- Between FY 2008 and FY 2009, the direct spending generated by PCPA operations increased by more than 15% and fiscal impacts increased by 22%. Both of these increases are primarily attributable to an increase in utilization at the facility and particularly the number of commercial Broadway shows.

Summary of Key Data - PCPA		
Category	**FY 2008**	**FY 2009**
Utilization:		
Events/Performances	802	1,091
Total Use Days	1,227	1,615
Total Attendance	817,100	938,100
Financial Operations:		
Operating Revenues	$7,470,745	$9,259,380
Operating Expenses	$9,765,651	$10,885,600
Net Operating Results	($2,294,906)	($1,626,220)
Economic/Fiscal Impacts:		
Direct Spending	$32,748,000	$37,682,000
Indirect/Induced Spending	$23,034,000	$27,613,000
Total Spending	$55,782,000	$65,295,000
Total Employment (Full-time equivalents)	630	730
Total Earnings	$20,842,000	$24,692,000
Total Fiscal Benefits	$1,414,000	$1,721,000

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Executive Summary – Expo Center

- Although the total number of events hosted by the Expo Center increased by nearly 3% between FY 2008 and FY 2009, attendance decreased by 11%. In particular, total attendance at consumer/public shows decreased by 5%. In addition, total attendance associated with miscellaneous/ other events, such as Roller Derby, Sony Electronics Recycling Event, Girl Fest, etc., decreased by 55%. A decrease in attendance at these relatively high impact events negatively affects the economic and fiscal impacts.

- During this two-year period, total operating expenses at the Expo Center remained relatively consistent, increasing less than 1%.

- Between FY 2008 and FY 2009, the direct spending generated from Expo Center operations decreased by almost 7% and fiscal impacts decreased by just over 15%.

Summary of Key Data - Expo Center		
Category	**FY 2008**	**FY 2009**
Utilization:		
Events/Performances	107	110
Total Use Days	437	449
Total Attendance	510,100	454,000
Financial Operations:		
Operating Revenues	$6,078,469	$5,578,545
Operating Expenses	$4,605,698	$4,645,965
Net Operating Results	$1,472,771	$932,580
Economic/Fiscal Impacts:		
Direct Spending	$21,883,000	$20,413,000
Indirect/Induced Spending	$15,290,000	$14,971,000
Total Spending	$37,173,000	$35,384,000
Total Employment (Full-time equivalents)	420	400
Total Earnings	$13,654,000	$13,233,000
Total Fiscal Benefits	$1,584,000	$1,343,000

The next section of the report discusses the general methodology used to calculate the annual economic and fiscal impacts for each MERC facility.

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General Methodology for Calculating Economic and Fiscal Impacts Generated from Operations of MERC Facilities

An assessment of the economic benefits that could potentially accrue to area municipalities and the State of Oregon as a result of the on-going operations of the OCC, PCPA and Expo Center can be approached in several ways. The approach used in this analysis considers expenditures generated by facility operations from items such as personal services, goods and services, repairs and maintenance, contract services, marketing, utilities, insurance, etc. as well as spending by attendees, sponsoring organizations/event producers and exhibitors as an initial measure of economic activity within the marketplace. Once the amount for direct spending is estimated, a multiplier is applied to generate the total (direct, indirect and induced) spending, earnings and employment associated with facility operations. This "multiplier" effect is estimated in this analysis using a regional economic forecasting model provided by the Minnesota IMPLAN Group, Inc.

The economic activity directly generated through the on-going operations of the OCC, PCPA, and Expo Center and the spending of their users affects more than just the facilities and immediately surrounding land uses. As this money ripples through the economy, several other economic sectors are impacted and jobs are created. For example, when a caterer purchases food for an event at a facility everyone from the wholesaler to the farmer that produced the food is impacted as well as local and State government entities that tax these economic transactions.

In addition to the economic impacts associated with spending, employment and earnings, fiscal benefits generated from on-going operations of these three MERC facilities were estimated. As mentioned earlier, the governmental entities considered in this fiscal analysis include Clackamas, Multnomah and Washington Counties as well as Metro and the State of Oregon. Revenues generated from transient lodging tax, excise tax, motor vehicle rental tax, business income tax and personal income tax were estimated. All amounts depicted in this report are presented in 2009 dollars unless otherwise noted.

Methodology – Economic Impact

The three categories of measurement used to assess the economic impact of each public assembly facility are spending, earnings and employment which are defined below:

- **Spending (output)** represents the total direct and indirect/induced spending effects generated by each facility. This calculation measures the total dollar change in spending (output) that occurs in the local economy for each dollar of output delivered to final demand.

- **Earnings** represent the wages and salaries earned by employees of businesses associated with or impacted by each facility's operations. In other words, the multiplier measures the total dollar change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.

- **Employment** represents the number of full and part-time jobs supported by each facility. The employment multiplier measures the total change in the number of jobs supported in the local economy for each additional $1.0 million of output delivered to final demand.

Direct Spending

The first step in calculating economic impact is estimating the direct spending. Depending on the particular facility, direct spending can be generated from attendees, associations/event producers and/or exhibitors as well as from facility expenditures.

Methodology – Economic Impact (cont'd)

Attendee Spending

This category attempts to reflect the spending patterns of attendees outside the facility before and after the event. Based on the estimated mix of event activity, attendees at each facility were categorized as either high impact, defined as those generating hotel room nights, or low impact and were assigned different spending amounts based on primary and secondary research including, but not limited to, input from event producers, surveys of attendees and data from various industry resources. This per capita amount was then allocated among various categories of spending including hotel, eating and drinking places, retail, entertainment, and transportation.

Sponsoring Organizations/Event Producers

Sponsoring organizations/event producers typically have substantial investments in the events that they host. These organizations purchase goods and services from either the facility, the food and beverage contractor, audio/visual companies, advertising agencies and/or other outside sources. Items such as exhibit space and equipment rental are typically provided by the facility, which are reflected as revenues for the provider. Since this spending is eventually reflected in the budgetary spending by the facility, these amounts are excluded to avoid double counting. Estimated spending amounts for sponsoring organizations/event producers outside the facility are based on primary and secondary research including, but not limited to, input from event producers and data from various industry resources.

Methodology – Economic Impact (cont'd)

Exhibitors

Exhibitors at events such as conventions, tradeshows and consumer/public shows typically spend more than attendees. Estimated spending amounts for exhibitors are based on primary and secondary research including, but not limited to, input from event producers, surveys of exhibitors and data from various industry resources. This category of direct spending is only applicable for the OCC and the Expo Center. Similar to spending estimated by sponsoring organizations/event producers, adjustments were made to these estimates to avoid double counting with items already reflected in each facility's budgetary spending.

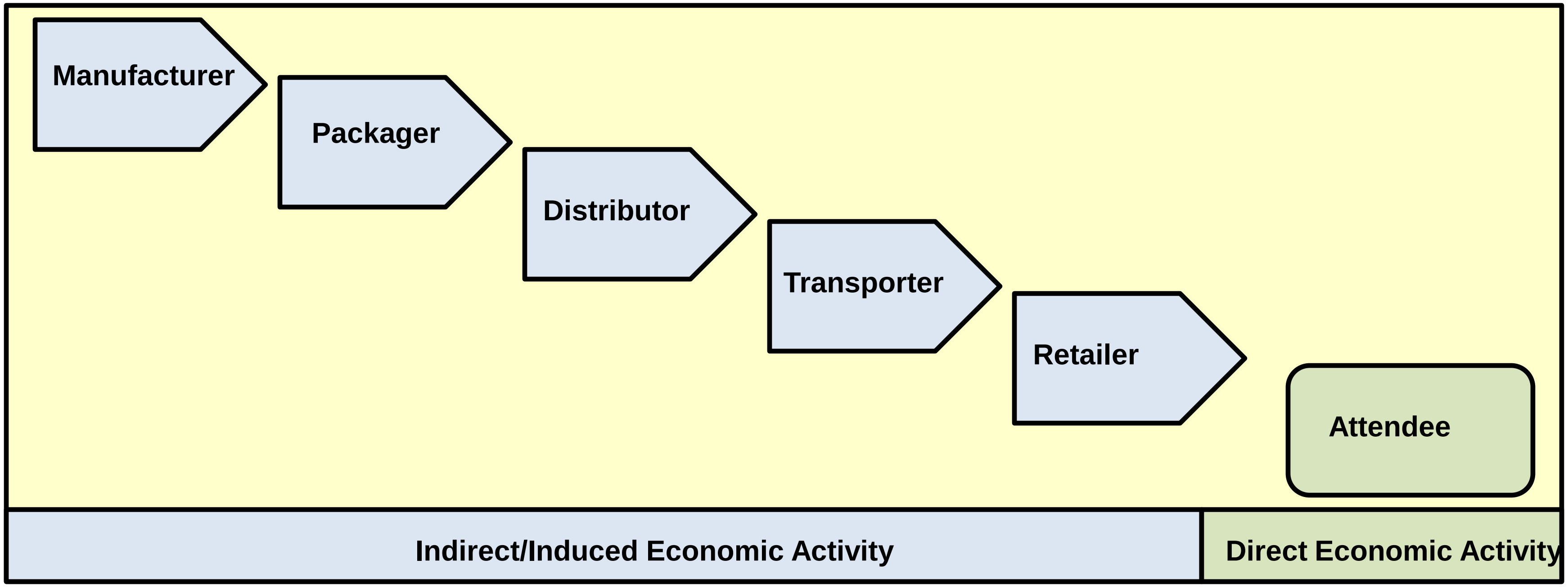
Budgetary Spending

Budgetary spending refers to the "expense side" generated by facility operations as provided by management. Regardless of the source or magnitude of the revenues, this analysis focuses on the operating expenditures at each facility.

Methodology – Economic Impact (cont'd)

Induced/Indirect Spending

The economic activity generated through the on-going operations affects more than just the facilities. In preparation for new spending in the economy, several other economic sectors are impacted and jobs are created. It is a common misconception to assume that the indirect/induced spending occurs subsequent to the purchase of the good as an "after effect." To further illustrate this point, consider that advertising is purchased, labor is hired, and marketing materials are produced and mailed to a target audience before the attendee spending takes place. To yield direct spending, several intermediary levels of spending must occur first.



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Methodology – Economic Impact (cont'd)

Multipliers

In an effort to quantify the inputs needed to produce the total output, economists have developed multiplier models. This "multiplier" effect is estimated in this analysis using a regional economic forecasting model provided by Minnesota IMPLAN Group, Inc., a private economic modeling company. One of the major advantages of this type of model is that it is sensitive to both location and type of spending. The multipliers used to calculate total spending represent the Tri-County Metropolitan Region which is MERC's constituency. Depending on the venue, the majority of spending may occur in downtown Portland or Multnomah County given that many attendees, exhibitors, show producers and/or cast/crew choose to stay in hotels proximate to where the event is held.

As a final step, the direct spending amounts estimated for each facility were assigned to a logical category and applied to the multipliers in order to calculate estimates for total spending, total earnings and total employment (jobs). The multipliers used to calculate total spending are shown in the table below:

	Tri-County Metropolitan Region Multipliers		
Category	**Spending**	**Earnings**	**Employment***
Hotels	1.7374	0.5976	18.7
Eating & Drinking Places	1.7255	0.5914	23.3
Retail Trade	1.6715	0.6614	20.2
Entertainment	1.8301	0.7093	29.3
Transportation	1.7176	0.6553	14.4
Business Services	1.8715	0.8411	16.2

Note: *Indicates the number of jobs per $1 million in spending.

Source: IMPLAN.

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Methodology – Fiscal Impact

The estimated spending generated by the on-going operations of the OCC, PCPA and Expo Center creates tax revenues for the Tri-County Metropolitan Region. Experience in other markets suggests that while a significant portion of the direct spending likely occurs near the facility, additional spending occurs in other areas within the Tri-County Metropolitan Region, particularly spending on items such as business services and everyday living expenses of residents.

Major tax sources impacted by facility operations were identified in order to estimate the taxable amounts to apply to each respective tax rate. Although other taxes, such as property taxes and gasoline taxes, may also be impacted by the on-going operations of MERC facilities, this analysis estimated revenues generated from the following taxes based on the direct and indirect/induced spending amounts previously defined:

<u>State of Oregon</u>

- Personal Income Tax
- Transient Lodging (Hotel/Motel) Tax
- Corporate Excise and Income Tax

<u>Metro</u>

- Excise Tax

<u>Clackamas County</u>

- Transient Room Tax

<u>Multnomah County</u>

- Transient Lodgings Tax
- Motor Vehicle Rental Tax
- Business Income Tax

<u>Washington County</u>

- Lodging Tax

Other jurisdictions not shown in this analysis are also positively impacted by operations of MERC venues. For instance, the City of Portland receives a portion of the Multnomah County lodging tax and likely increased property tax revenue due to patron spending by PCPA attendees, cast/crew and OCC event attendees at City businesses.

Methodology – Fiscal Impact (cont'd)

The following provides a brief description of the taxes estimated for this analysis.

State of Oregon

Personal Income Tax – The State of Oregon imposes a personal income tax, which is calculated on a graduated scale. Personal income tax is the State of Oregon's largest source of revenue. Based on information from the State of Oregon Department of Revenue, the statewide effective tax rate for personal income is 5.7%. For purposes of this analysis, personal income tax was calculated by applying the effective tax rate of 5.7% to 57% of total earnings estimated to be generated by each individual facility, which represents the State's average taxable income as a percentage of total income.

Transient Lodging Tax – Effective in 2004, public and private lodging providers began paying a 1% State transient lodging tax. This tax is in addition to and not in place of any local transient lodging tax. This tax continuously appropriates funds to the Oregon Tourism Commission to promote tourism programs in the State. For purposes of this analysis, the 1% tax rate was applied to 100% of direct hotel spending estimated to be generated by each individual venue.

Corporate Excise and Income Tax – Corporate excise and income tax is the second largest source of revenue for the State. All corporations doing business in Oregon pay excise tax while corporations not doing business in the State but having income from an Oregon source pay income tax. The corporate tax rate is 6.6% of Oregon net income. For purposes of this analysis and based on information from the State of Oregon Department of Revenue, the 6.6% tax rate was applied to 5.1% of direct spending estimated to be generated by each facility in order to reflect net taxable income.

Methodology – Fiscal Impact (cont'd)

Metro

Excise Tax – Metro imposes an excise tax of 7.5% of total earned revenues of MERC facilities. The tax is remitted on a monthly basis to Metro and is a General Fund Revenue dedicated to the funding of general government activities as well as various planning, parks and green spaces activities. For purposes of this analysis, the actual excise tax amount paid by the OCC and the Expo Center was used. The PCPA does not remit excise tax.

Clackamas County

Transient Room Tax – Clackamas County imposes a 6% transient room tax on hotels, defined as any structure or any portion of any structure which is occupied or intended or designed for transient occupancy for 30 days or less for dwelling, lodging or sleeping purposes. Revenues generated by this source are allocated as follows: two points are used for administration purposes, a flat fee is allocated to help fund the County Fair and the remaining amount goes to the Tourism Development Council Fund which is used to promote tourism. The flat fee allocated to the County Fair was originally set at $250,000 per year and is adjusted by CPI annually. As a point of reference, the flat fee was approximately $383,700 in FY 2009.

In addition to the 6% tax rate imposed by Clackamas County, several cities in the County also impose additional transient room taxes, which range from 3% to 5%. For purposes of this analysis, a tax rate of 9% was applied to 100% of direct hotel spending in the County. Although all tax revenue is generated within the County, the County only retains six of the nine points while the various cities within the County receive the remaining amount. This tax was only estimated for OCC related event activity given this venue's relatively higher room night generation and impact to surrounding counties.

Methodology – Fiscal Impact (cont'd)

<u>Multnomah County</u>

Transient Lodging Tax – Multnomah County imposes a tax of 11.5% of the rent charged by the operator of any structure or any portion of any structure which is occupied or intended or designed for transient occupancy for 30 days or less for dwelling, lodging or sleeping purposes. This tax is generally allocated as follows:

- Five points of the tax collected by Multnomah County within the City limits goes to the City of Portland General Fund
- One point of the tax is allocated to the City of Portland to contract with a not-for-profit agency to promote the destination (i.e., Travel Portland)
- A three point surcharge rate of the tax is allocated to the excise tax fund of which hotel operators can deduct 5% of the three points for administrative costs. The remaining amount is dedicated to various projects such as the OCC, the Portland Center for the Performing Arts, and the Regional Arts and Culture Council
- A 2.5 point surcharge rate of the tax is allocated to the Visitors Facilities Trust Account (VFTA) of which hotel operators can deduct 5% of the 2.5 points for administrative costs

For purposes of this analysis, the 11.5% tax rate was applied to 100% of direct hotel spending estimated to be generated in Multnomah County by each facility's operation.

Methodology – Fiscal Impact (cont'd)

Multnomah County (cont'd)

Motor Vehicle Rental Tax – Multnomah County levies a tax on the rental of motor vehicles from a commercial establishment doing business in the County if the rental is for a period of 30 days or less. The total tax rate in effective for the majority of 2009 was 12.5% of the rental fee charged by the commercial establishment for the rental. The tax is remitted to the County on a quarterly basis. The collections from the base rate of 10% are allocated to the County's general fund while the remaining 2.5% is allocated to the Visitors Facilities Trust Account (VFTA). Effective June 15, 2009 the total tax rate increased to 17%, however, for purposes of this analysis, the tax rate of 12.5% was used and applied to 50% of direct local transportation spending in Multnomah County generated by OCC operations.

Business Income Tax – A business income tax is imposed on each business within Multnomah County equal to 1.45% of the net income from that business within the County. This tax is administered by the City of Portland. For purposes of this analysis, the business income tax rate of 1.45% was applied to 5.1% of total direct spending in order to reflect net taxable income estimated to be generated by each facility's operation.

Methodology – Fiscal Impact (cont'd)

Washington County

Lodging Tax – Washington County imposes a 9% tax on short term stays in hotels, motels and RV parks. For purposes of this analysis, a 9% tax rate was applied to direct hotel spending in Washington County. This tax was only estimated for OCC related event activity given this venue's relatively higher room night generation and impact to surrounding counties. The allocation of collections is as follows:

- One point is dedicated to the Visitor's Association
- One point is dedicated to the Fair Board to support the County Fair
- Two points are granted to the promotion of tourism and are no longer automatically given to the County's Visitor's Association; rather all interested parties must submit proposals to the County for an allocation of this portion, including the Visitor's Association
- The remaining five points are split between the County and cities and are primarily used to fund functions such as public safety, public health, transportation and other local government services.

Other Jurisdictions

In addition to those jurisdictions previously described, other area governments could potentially benefit from MERC facility operations which generate patron spending at regional business establishments. Conversations with management at a sample of hotels and restaurants suggest event activity at MERC facilities positively impacts their business as well as that of other establishments nearby.

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Summary of Event Activity at MERC Facilities in FY 2009

MERC facilities hosted a combined total of over 1,700 events/performances that attracted more than 1.9 million attendees in FY 2009. These events are diverse in nature and attract both residents and out-of-town attendees. This event activity occupied MERC facilities for nearly 3,200 total use days which are defined as the actual number of days a particular event takes place as well as any necessary days required for move-in/move-out of the event.

Events hosted at OCC include national and international conventions/tradeshows, public shows, meetings and social functions. PCPA events include performing arts events, comedy/concerts, lectures, meetings and receptions. Expo event activity is comprised primarily of public shows and trade shows where regional businesses can exhibit their goods as well as meetings and social functions.

Summary of Event Activity at MERC Facilities in FY 2009

	OCC	PCPA	Expo Center	Total
Events/Performances	521	1,091	110	1,722
Total Use Days	1,128	1,615	449	3,192
Attendance	548,300	938,100	454,000	1,940,400

Notes: Attendance figures rounded to the nearest hundred.
For PCPA, one event can have multiple performances.
Source: MERC management.

Summary of Financial Operations at MERC Facilities in FY 2009

MERC facilities generated approximately $30 million in operating revenues in FY 2009. Both OCC and PCPA generated an operating loss which is partially subsidized by non-operating revenues such as transient lodging tax and government support from the City of Portland. It is not unusual for convention centers and performing arts centers to operate at a loss given that the mission of these venues is to generate economic impact by attracting out-of-town visitors and to offer diverse cultural arts activities to area residents. On the other hand, the Expo Center serves as the region's primary destination for public events and consumer shows that attract primarily area residents, and realized a net operating income of nearly $933,000 in FY 2009. In aggregate, MERC facilities generated a net operating loss of approximately $9.7 million before non-operating revenues and expenses, transfers and capital.

Summary of Financial Operations at MERC Facilities FY 2009

Category	OCC	PCPA	Expo Center	Total
Total Operating Revenues	$15,194,238	$9,259,380	$5,578,545	$30,032,163
Total Operating Expenditures	24,171,207	10,885,600	4,645,965	39,702,772
Net Operating Results	(8,976,969)	(1,626,220)	932,580	(9,670,609)
Net Non-Operating	8,994,723	2,814,404	109,354	11,918,481
Capital	(659,907)	23,564	(173,682)	(810,025)
Transfers	(17,799)	0	(1,192,232)	(1,210,031)
Fund Balance Increase/(Decrease)	**($659,952)**	**$1,211,748**	**($323,980)**	**$227,816**

Note: For purposes of this analysis, support and risk management costs are included in operating expenditures.

Source: MERC Management

Summary of Estimated Economic Benefits Generated from Operations of MERC Facilities in FY 2009

The table below summarizes the estimated economic impacts generated from MERC facilities in FY 2009 in terms of total direct and indirect/induced spending, employment and earnings based on the methodology and assumptions outlined in this report. As shown, MERC facilities were estimated to generate approximately $522.0 million in total spending within the region and 5,540 full-time equivalent (FTE) jobs. As a point of reference, there are currently approximately 174 full-time employees at these three MERC facilities: OCC (113); PCPA (47) and Expo Center (14).

Summary of Estimated Economic Benefits Generated from Operations of MERC Facilities in FY 2009				
Category	**OCC**	**PCPA**	**Expo Center**	**Total**
Total Economic Benefits:				
Direct Spending (Output)	$236,803,000	$37,682,000	$20,413,000	$294,898,000
Indirect/Induced Spending	$184,554,000	$27,613,000	$14,971,000	$227,138,000
Total Direct and Indirect/Induced Spending	$421,357,000	$65,295,000	$35,384,000	$522,036,000
Total Direct and Indirect/Induced Employment (Number of FTE jobs)	4,410	730	400	5,540
Total Direct and Indirect/Induced Earnings	$165,747,000	$24,692,000	$13,233,000	$203,672,000

Notes: (1) Dollar amounts are rounded to the nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) Earnings represent the wages and salaries earned by employees of businesses associated with or impacted by the facility.

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Summary of Estimated Fiscal Benefits Generated from Operations of MERC Facilities in FY 2009

Based on the event activity and financial operating data provided by MERC as well as other assumptions outlined in this report, MERC facilities were estimated to generate approximately $18.3 million in tax revenues in FY 2009. For purposes of this analysis, fiscal benefits associated with the on-going operations of MERC facilities are estimated for the following jurisdictions: the State of Oregon, Metro, Clackamas County, Multnomah County and Washington County.

Summary of Estimated Fiscal Benefits Generated from Operations of MERC Facilities in FY 2009

Category	OCC	PCPA	Expo Center	Total
State of Oregon				
Personal Income Tax	$5,385,000	$802,000	$430,000	$6,617,000
Corporate Excise and Income Tax	797,000	127,000	69,000	993,000
Transient Lodging Tax	577,000	61,000	33,000	671,000
Subtotal	$6,759,000	$990,000	$532,000	$8,281,000
Metro				
Excise Tax	$1,147,000	see note 1	$415,000	$1,562,000
Clackamas County				
Transient Room Tax	$426,000	see note 2	see note 2	$426,000
Multnomah County				
Transient Lodgings Tax (see note 3)	$5,156,000	$703,000	$381,000	$6,240,000
Motor Vehicle Rental Tax	876,000	see note 4	see note 4	876,000
Business Income Tax	132,000	28,000	15,000	175,000
Subtotal	$6,164,000	$731,000	$396,000	$7,291,000
Washington County				
Lodging Tax	$732,000	see note 2	see note 2	$732,000
Total Tax Benefits	**$15,228,000**	**$1,721,000**	**$1,343,000**	**$18,292,000**

Notes: (1) Amounts are rounded to the nearest thousand.
(2) No excise tax is collected from PCPA as part of the intergovernmental agreement with the City of Portland.
(3) Transient lodging tax associated with event activity at the PCPA and Expo Center is only estimated for Multnomah County because it is assumed that most benefits occur in this jurisdiction.
(4) Although Multnomah county collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland for a) its general fund and b) to fund Travel Portland.
(5) Motor vehicle rental tax was only calculated for event activity at the OCC.

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General Overview of the OCC

OCC's mission is to maximize economic benefit for the region and the State while protecting public investment in the facility. Originally opened in September of 1990 and expanded in April of 2003, the OCC currently offers the following components:

- *Exhibit Space*: 255,000 square feet of contiguous space divisible into six exhibit halls
- *Ballroom Space*: 59,400 square feet of total space, which includes a 25,200-square foot ballroom and a 34,200-square foot ballroom
- *Meeting Space*: 50 rooms totaling 52,330 square feet of meeting space
- *Lobby/Pre-function Space:* Over 100,000 square feet
- *Skyview Terrace*: 7,000 square feet
- *Parking*: 800-space underground parking garage on-site and 2,500 parking spaces within walking distance

Over the last several years, the Portland Development Commission (PDC), in conjunction with MERC and Travel Portland, has actively sought the development of a headquarters hotel adjacent to the OCC. A Development Team was selected, Phase 1 of the project was completed, and several consultants were engaged to prepare pro formas, impact reports, employment numbers and costs of the headquarters hotel. In September 2009, the City of Portland, Multnomah County, and Metro met and agreed that the current development agreement for the headquarters hotel should be allowed to expire. Citing declining transient lodging tax revenues, lower occupancies, a stale economy and a projected longer recovery period, the financing model for the headquarters hotel project, which included transient lodging taxes as a key component, is no longer a feasible funding option. A collaborative process is underway to determine a plan of action for the region's facilities that support tourism and the hospitality industry and what the long term operational and marketing needs will be to be successful going forward.

General Overview of the OCC (cont'd)

The Tri-County Metropolitan Region benefits from the on-going operations of the OCC in a number of ways, including such tangible and intangible benefits as:

- Enhancing the area's image as a business, meetings and tourist destination
- Receiving regional and national exposure through destination marketing and visitation
- Providing a first-class meeting venue for area residents and out-of-town delegates/attendees
- Unifying the market area and creating a more distinct identity
- Serving as a catalyst for urban redevelopment initiatives
- Generating additional economic activity and enhanced fiscal revenues

While the value of some of these benefits is difficult to measure, the economic activity generated by the OCC within the Tri-County Metropolitan Region can be quantified in terms of spending, employment and earnings. Based on information from a variety of sources including, but not limited to, representatives from area municipalities, OCC management and its advisors, this analysis summarizes the estimated direct, indirect and induced economic benefits and tax benefits to the entire Tri-County Metropolitan Region as well as to each individual county from the OCC's operations in FY 2009.

Summary of OCC Event Activity in FY 2009

In FY 2009, the OCC hosted 521 events which drew total attendance of approximately 548,300.

Summary of OCC Event Activity in FY 2009								
Event Type	**Events**		**Total Attendance**		**Average Attendance**	**Total Attendee Days**		**Average Attendee Days**
Conventions/Tradeshows	86	17%	158,899	29%	1,848	424,099	50%	4,931
Meetings	276	53%	80,368	15%	291	105,621	12%	383
Other	159	31%	308,993	56%	1,943	324,380	38%	383
Total	**521**	**101.0%**	**548,260**	**100%**		**854,100**	**100%**	

Note: Other events include public shows and food and beverage functions.
Source: OCC Management

The number of attendee days is an important component in the methodology used to calculate economic impact. For conventions/tradeshows, meetings as well as food and beverage events, an attendee day is defined as total attendance multiplied by the event length. For example, a three-day convention with 600 delegates equates to 1,800 attendee days which reflects that the same delegates return to the event each of the three days. Conversely, attendee days for public shows are assumed to be the same as total attendance since most attendees generally attend a public show only once during the event. As shown in the table above, the OCC generated 854,100 attendee days in FY 2009.

Summary of OCC Event Activity in FY 2009 by Scope

When estimating economic impact, different spending amounts were applied to attendees based on whether they are attending State/local or national/regional/international events. Although approximately 85% of all events hosted at the OCC in FY 2009 were State/local in scope, approximately 44% of conventions/ tradeshows and 66% of related attendee days were generated from national/regional/international events. In addition, approximately 22% of attendee days at meetings were national/regional/international in scope suggesting that OCC management has been successful in booking more high impact meetings as the convention/tradeshow business continues to be competitive.

Because State/local events are typically booked within a shorter timeframe than regional/national/international activity, it is a common strategy for convention centers to book these in order to positively influence revenues.

Summary of OCC Event Activity in FY 2009

	Events					Attendee Days				
Event Type	State/Local		National/Regional/ International		Total	State/Local		National/Regional/ International		Total
Conventions/Tradeshows	48	56%	38	44%	86	143,880	34%	280,219	66%	424,099
Meetings	246	89%	30	11%	276	82,115	78%	23,506	22%	105,621
Other	151	95%	8	5%	159	299,210	92%	25,170	8%	324,380
Total	**445**	**85%**	**76**	**15%**	**521**	**525,205**	**61%**	**328,895**	**39%**	**854,100**

Source: OCC Management.

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Estimate of Economic Benefits Generated From On-Going Operations of the OCC in FY 2009

The table to the right summarizes the estimated economic impacts generated from OCC operations in FY 2009 in terms of total direct and indirect/induced spending, employment and earnings for the entire Tri-County Metropolitan Region as well as the allocation of this spending among the three individual counties.

The estimated $421.4 million in total spending and 4,410 jobs are significant impacts to the surrounding region's economy.

The pages that follow discuss each component in more detail.

Estimated Economic Benefits To the Tri-County Metropolitan Region From OCC Operations in FY 2009

Total Economic Benefits:	**Tri-County Region**
Direct Spending (Output)	$236,803,000
Indirect/Induced Spending	$184,554,000
Total Direct and Indirect/Induced Spending	$421,357,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	4,410
Total Direct and Indirect/Induced Earnings	$165,747,000
Total Economic Benefits:	**Clackamas County**
Direct Spending (Output)	$25,507,000
Indirect/Induced Spending	$19,961,000
Total Direct and Indirect/Induced Spending	$45,468,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	470
Total Direct and Indirect/Induced Earnings	$18,054,000
Total Economic Benefits:	**Multnomah County**
Direct Spending (Output)	$178,624,000
Indirect/Induced Spending	$139,138,000
Total Direct and Indirect/Induced Spending	$317,762,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	3,320
Total Direct and Indirect/Induced Earnings	$124,848,000
Total Economic Benefits:	**Washington County**
Direct Spending (Output)	$32,673,000
Indirect/Induced Spending	$25,453,000
Total Direct and Indirect/Induced Spending	$58,126,000
Total Direct and Indirect/Induced Employment (# of FTE jobs)	610
Total Direct and Indirect/Induced Earnings	$22,846,000

Notes: (1) Dollar amounts are rounded to nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) There may be slight differences due to rounding.
(4) Earnings represent the w ages and salaries earned by employees of businesses associated w ith or impacted by the facility.

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Summary of Direct Spending Inputs

The first step in calculating economic impact is estimating the direct spending. The benefits generated at the local level result from the impact of direct spending both by attendees and activities that support events held at the OCC. Direct spending impacts from operations are annually recurring in nature. The direct spending categories quantified in this analysis are:

- Attendee spending, including out-of-town delegates and local attendees
- Association spending
- Exhibitor spending
- Budgetary spending by the OCC

Per capita attendee spending amounts were estimated based on the Convention Expenditure and Impact Study conducted by Destination Marketing Association International (DMAI), which reflects the spending patterns of thousands of convention and meeting delegates from a broad base of meeting types. The 2005 Convention Expenditure and Impact Study Update provided the spending attributes for regional/national/international business and these amounts were inflated by a 3% annual rate to reflect 2008 dollars. However, because the Consumer Price Index (CPI) suggests that the inflation rate remained stable between 2008 and 2009 in the Portland-Salem Metro Area, these amounts were not further inflated. According to DMAI, State/local spending attributes were unavailable due to an inadequate sample for their most recent survey conducted in 2003 (77 event organizers responded representing primarily regional/national/international events). As such, and for purposes of this analysis, amounts from the 2002 Convention Income Survey were inflated by a 3% annual inflation rate to reflect spending generated by State/local events in 2008 dollars without further adjustments for 2009 dollars.

Summary of Direct Spending Inputs (cont'd)

Attendee Spending

Based on information provided by management, OCC events were analyzed to distinguish attendees at regional/national/international events from those at State/local events. For purposes of this analysis, high impact attendees were defined as those that stay overnight in a hotel room. In general, low impact attendees are local patrons attending consumer shows, civic events and meetings. As such, adjustments were made to the DMAI spending amounts to account for low impact spending. For purposes of this analysis, all attendees at regional/national/international events were classified as high impact. In addition, 30% of State/local convention/tradeshow attendees and 5% of attendees at all other State/local events were assumed to be high impact. All remaining attendees were classified as low impact.

The following table presents the spending characteristics per delegate per day for State/local and regional/national/international events.

	State/Local Events		Regional/ National/ International Events
Per Day Spending	**High Impact**	**Low Impact**	**High Impact**
Delegate	$256.71	$29.25	$316.88

Source: DMAI.

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Summary of Direct Spending Inputs (cont'd)

Association & Exhibitor Spending

Sponsoring organizations have substantial investments in the events that they host. These organizations purchase goods and services from either the convention center, food and beverage contractor or from outside sources. Items such as exhibit space and equipment rental are typically provided by the convention center, which are reflected as revenues for the provider. Since this spending is eventually reflected in the budgetary spending by the convention center, these amounts are excluded from association spending to avoid double counting. The estimated association spending amounts used in this analysis were from the DMAI Convention Expenditure and Impact Study and were based on spending amounts per delegate day.

The DMAI Convention Expenditure and Impact Study also estimates spending for exhibitors per attendee day. Similar to association spending, adjustments were made to these estimates to avoid double counting. Based on conversations with DMAI representatives, exhibitor spending at State/local events can be higher than that at regional/national/international events since these exhibitors are more likely from the local area. Thus, they tend to spend a greater portion of their exhibit-related expenses within their own community. Conversely, exhibitors attending regional/national/international events are likely to spend a greater portion of their expenses where they are based as opposed to the event location.

Association and exhibitor spending estimates per delegate per day by scope of event are shown below.

Per Day Spending[1]	State/ Local	Regional/ National/ International
Association	$16.04	$16.88
Exhibitor	$124.97	$79.09

Note: [1] Amounts reflect spending per delegate.

Source: DMAI.

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Summary of Direct Spending Inputs (cont'd)

Budgetary Spending by the OCC

Budgetary spending refers to the "expense side" generated by the OCC. Regardless of the source or magnitude of the revenues that the building produces, this analysis focused on the operating expenditures occurring in the Tri-County economies. Based on information provided by management, operating expenditures for the OCC were approximately $24.2 million in FY 2009.

Summary of Direct Spending Inputs

Based on information provided by facility management and DMAI spending estimates, the total direct spending related to OCC operations generated from attendees, associations and exhibitors as well as operating expenditures was estimated to be approximately $236.8 million in FY 2009. Attendee and association/exhibitor spending amounts are directly related to the number of convention/tradeshow attendee days. The table below shows the breakdown of estimated direct spending among these three categories.

Category	FY 2009
Attendee Spending	$133,423,000
Association/Exhibitor Spending	79,209,000
OCC Budgetary Spending	24,171,000
Total	**$236,803,000**

Notes: Amounts are rounded to the nearest thousand.

Summary of Direct Spending Inputs (cont'd)

Once the total economic impact for the Tri-County Metropolitan Region was estimated, a percentage of the total was allocated to each of the three counties. Allocations for hotel spending were based on the historical transient lodging tax receipts for each county as a percentage of the total collections within the Tri-County Metropolitan Region. Allocations for all other spending were calculated in the same manner based on historical information on travel spending as provided by Dean Runyan Associates to the Oregon Tourism Commission. The table below summarizes the allocations for hotel and all other spending used in this analysis.

	% Allocation	
County	Hotel Spending	All Other Spending
Clackamas	8.2%	11.6%
Multnomah	77.7%	74.7%
Washington	14.1%	13.7%
Total	**100.0%**	**100.0%**

Source: Dean Runyan Associates.

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Estimate of Fiscal Benefits Generated From On-Going Operations of the OCC in FY 2009

Tax revenues generated from OCC operations and related spending in FY 2009 were estimated to be approximately $15.2 million.

Estimated Fiscal Benefits From OCC Operations	
	FY 2009
State of Oregon	
Personal Income Tax	$5,385,000
Corporate Excise & Income Tax	797,000
Transient Lodging Tax	577,000
Subtotal	$6,759,000
Metro	
Excise Tax	$1,147,000
Subtotal	$1,147,000
Clackamas County	
Transient Room Tax	$426,000
Subtotal	$426,000
Multnomah County	
Transient Lodging Tax	$5,156,000
Motor Vehicle Rental Tax	876,000
Business Income Tax	132,000
Subtotal	$6,164,000
Washington County	
Lodging Tax	$732,000
Subtotal	$732,000
GRAND TOTAL	**$15,228,000**

Notes: (1) Amounts are rounded to the nearest thousand.
(2) Although Multnomah County collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland for a) its general fund and b) to fund Travel Portland.

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General Overview of the PCPA

The PCPA is home to Portland's finest music, theatre, dance, lectures and more which are held each year in one of its three separate buildings: the Keller Auditorium, the Arlene Schnitzer Concert Hall, and the Antoinette Hatfield Hall (formerly called the New Theatre Building) which houses the Newmark Theatre, the Dolores Winningstad Theatre and Brunish Hall. MERC began overseeing the PCPA in the 1980s through an Inter-Governmental Agreement (IGA) with the venue's owner, the City of Portland. Since that time, these facilities have undergone significant renovation and improvement, in part due to generous private support.

PCPA's mission is to provide responsibly managed performance spaces fostering a diverse performing arts environment. Located seven blocks southeast of the other theatres, the Keller Auditorium hosts diverse events such as grand opera, rock, western and jazz concerts, ballet and modern dance performances, and national tours of Broadway musicals and plays. The original building was constructed in 1917 and was completely renovated in 1968 with substantial technical improvements made in 1993. Keller Auditorium features seating for 2,992 people, a 107 x 41-foot stage, excellent acoustics and sight lines, orchestra pit for 70 musicians, dressing rooms and a rehearsal room.

Opened in 1984, the beautifully restored Arlene Schnitzer Concert Hall was originally the Portland Public Theatre which was built in 1928. The Italian Rococo Revival architecture was said to be the national showcase of Rapp & Rapp, renowned Chicago theatre architects. Portland residents Arlene and Harold Schnitzer contributed generously to the completion of this phase of the PCPA. The one-year, $10 million renovation involved repairing, recasting or replacing much of the theatre's ornate interior as well as making it comfortable and safe for today's audiences and performers. The Concert Hall hosts a variety of events including classical, jazz, pop, rock, folk and gospel music, dance, theatre, travel films, conferences, and weddings. Features include seating for 2,776, a 94 x 32-foot stage, an orchestra pit for 15; a choir loft, dressing rooms and a portable, flexible acoustical shell.

General Overview of PCPA (cont'd)

Located in the heart of downtown Portland, the 127,000 square foot Antoinette Hatfield Hall includes two theatres; a multi-purpose space suitable for recitals, receptions or other events; a small restaurant, box office, administrative offices for PCPA, and executive offices for MERC.

The Newmark Theatre was designed primarily for drama productions. It is also suitable for opera, dance, ballet, chamber orchestra, recitals, conferences and films. The theatre features continental-style seating for 880 people. The Dolores Winningstad Theatre is a high-tech, updated version of a Shakespearean courtyard theatre, designed to be a multi-purpose space, providing maximum flexibility for drama, dance, chamber music, recitals, lectures and receptions. The Dolores Winningstad Theatre features flexible seating for 292 patrons. Brunish Hall is a 3,150 square-foot multi-purpose space that is simple in its design yet features amenities that allow it to be used as a performance space, meeting and/or banquet space.

PCPA is home to several performance companies including, but not limited to, the following:

- Oregon Ballet Theatre
- Oregon Children's Theatre
- Oregon Symphony Orchestra
- Portland Opera
- Portland Youth Philharmonic
- Tears of Joy

General Overview of PCPA (cont'd)

The PCPA is located in the Cultural District downtown which includes other institutions dedicated to fine and performing arts such as the Oregon Historical Society, Portland Art Museum and the Northwest Film Center. The PCPA's three unique properties contribute to the vibrancy of Portland's center city and its cultural identity.

The region benefits from the on-going operations of the PCPA in a number of ways, including such tangible and intangible benefits as:

- Supporting the vibrancy of downtown Portland by attracting residents and visitors to business establishments
- Contributing to arts educational institutions including children's theater
- Providing a venue for lectures, symposiums and other unique speaking engagements
- Generating public awareness and funding of arts organizations
- Providing an alternative entertainment option for both residents and visitors, including OCC convention attendees and business travelers
- Enhancing business for other area companies involved in related services purchased by arts organizations (e.g., advertising, transportation, printing, etc.)
- Attracting in-kind and cash contributions from local arts supporters
- Generating additional economic activity and enhanced fiscal revenues

While the value of some of these benefits is difficult to measure, this analysis summarizes the estimated direct, indirect and induced economic benefits and tax benefits from PCPA's operations in FY 2009 based on information from several primary and secondary sources including, but not limited to, representatives from area municipalities, PCPA management, producers of events and the *2007 Arts & Economic Prosperity* report published by Americans for the Arts.

Summary of PCPA Event Activity in FY 2009

In FY 2009, PCPA hosted nearly 1,100 performances that accounted for more than 1,600 total use days and attracted approximately 938,000 attendees. Approximately 62% of performances, 68% of total use days and 48% of total attendance were generated from performing arts related events. Nine (9) Broadway shows accounted for approximately 30% of total attendance. In addition, concerts generated approximately 14% of the total attendance. These shows contribute to the economic impact by attracting overnight attendees as well as cast, crew and production members from out-of-town that generate spending on items such as lodging, restaurants, entertainment and transportation.

Summary of Event Activity at the PCPA in FY 2009

Event Type	Performances	Total Use Days	Total Attendance	Average Attendance Per Performance
Performing Arts	677	1,104	454,063	671
Broadway	125	127	279,963	2,240
Lectures	30	30	41,778	1,393
Meetings/Receptions	41	43	6,068	148
Concerts	104	173	131,645	1,266
Miscellaneous Event	107	119	24,541	229
Miscellaneous Non-Event	7	19	-	-
Total	**1,091**	**1,615**	**938,058**	

Notes: (1) Miscellaneous events include film festivals, symphony rehearsals and graduations.
(2) Miscellaneous non-events include film shoots and symphony auditions.
(3) One event can have multiple performances.

Source: PCPA Management

Estimate of Economic Benefits Generated From On-Going Operations of the PCPA in FY 2009

As shown in the table below, it is estimated that PCPA event activity generated approximately $65.3 million in total spending and 730 jobs in FY 2009, which are considerable impacts to the region's economy.

Estimated Economic Benefits From PCPA Operations	
Category	**FY 2009**
Spending	
Direct Spending (Output)	$37,682,000
Induced/Indirect Spending	$27,613,000
Total Spending	$65,295,000
Total Earnings	$24,692,000
Total Employment (number of FTEs jobs)	730

Notes: (1) Dollar amounts are rounded to the nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) Earnings represent the wages and salaries earned by employees of businesses associated with or impacted by the facility.

The pages that follow discuss each component in more detail.

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Summary of Direct Spending Inputs

Attendee Spending Outside PCPA

Based on information provided by management, input from event producers as well as the *2007 Arts & Economic Prosperity Report* commissioned by Americans for the Arts, the Regional Arts & Culture Council and Northwest Business for Culture & the Arts, attendees were categorized as high impact, defined as those staying overnight in a hotel room, or low impact which generally include local patrons. This report collected 905 surveys from attendees at a range of arts events in Portland to gain an understanding of where they were from as well as their level and distribution of spending. In 2006, 76% of respondents indicated they were residents of the Tri-County region while the remaining 24% were considered non-residents. For purposes of this analysis, we assumed 12% (or one-half the estimated percentage of non-residents) of attendees at performing arts events, Broadway shows and concerts were high impact. In addition, spending estimates from the *Arts & Economic Prosperity Report* were adjusted to avoid double counting spending that was accounted for in budgetary spending and inflated to reflect 2009 dollars. Based on these assumptions, the following table outlines per day attendee spending figures applied to estimates of high and low impact attendees. Spending by attendees inside PCPA venues is taken into account by the facility's budgetary spending.

Per Day Spending	High Impact	Low Impact
Attendee	$102.00	$18.00

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Summary of Direct Spending Inputs (cont'd)

Cast/Crew and Producer Personnel Spending Outside PCPA

Cast and crew members involved in a Broadway production come from out-of-town and as such generate spending on lodging, food/beverage, retail, entertainment and transportation. Based on discussions with event producers, an estimate of cast/crew personnel per event attendee was calculated and applied to estimated spending per cast/crew per day.

Broadway show producers make substantial investments in the events that they host. These organizations purchase goods and services from either PCPA or from outside sources. Items such as facility rental and various event services are typically provided by PCPA which are reflected as revenues for the venue. Since this spending is eventually reflected in the budgetary spending by the PCPA, these amounts are excluded from event producer spending to avoid double counting. Further, producer spending with external vendors that takes place before or during a show such as advertising, printing, security, transportation, etc. is considered part of the induced/indirect spending that is generated by PCPA operations.

The estimated event producer spending amounts used in this analysis are limited to company personnel spending on items outside PCPA such as lodging, food/beverage, retail and transportation. Based on surveys previously conducted with production companies representing Broadway shows, an estimate of producer personnel per event attendee was calculated. Event producer spending amounts were applied to the estimated personnel per day.

Summary of Direct Spending Inputs (cont'd)

Cast/crew and event producer spending per personnel per day for Broadway shows are shown below.

Per Day Spending	High Impact	Low Impact
Producer Personnel	$125.00	n/a
Cast & Crew	$125.00	$18.00

Budgetary Spending

Based on information provided by management, operating expenditures for PCPA were approximately $10.9 million in FY 2009.

Summary of Direct Spending Inputs

Based on information provided by PCPA management, event producers, attendees and the *2007 Arts & Economic Prosperity* report, the total direct spending related to PCPA attendees, event producers and cast/crew as well as PCPA operating expenditures was estimated to be approximately $37.7 million in FY 2009. The table below summarizes the breakdown of estimated direct spending.

Category	FY 2009
Attendee Spending	$25,617,000
Event Producer/Cast & Crew Spending	1,179,000
Budgetary Spending by Facility	10,886,000
Total	**$37,682,000**

Note: Amounts are rounded to the nearest thousand.

Estimate of Fiscal Benefits Generated From On-Going Operations of the PCPA in FY 2009

Based on the effective tax structure previously discussed, tax revenues generated from PCPA operations and related spending in FY 2009 were estimated to be approximately $1.7 million, approximately 58% of which represented State of Oregon taxes compared to 42% by Multnomah County sources. As mentioned previously, the City of Portland also benefits from PCPA operations by hotel stays within the City and the resulting portion of the transient lodging tax that is allocated to its general fund.

Estimated Fiscal Benefits From PCPA Operations	
	FY 2009
State of Oregon	
Personal Income Tax	$802,000
Corporate Excise & Income Tax	127,000
Transient Lodging Tax	61,000
Total	$990,000
Multnomah County	
Transient Lodging Tax	$703,000
Business Income Tax	28,000
Total	$731,000
GRAND TOTAL	**$1,721,000**

Notes: (1) Amounts are rounded to the nearest thousand.
(2) No excise tax is collected from the PCPA.
(3) Although Multnomah County collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland for a) its general fund and b) to fund Travel Portland.

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General Overview of the Expo Center

The Expo Center is a multi-purpose exhibition facility that has served as the region's primary destination for public events and consumer shows. As far back as 1921, the Expo Center site has presented some of the largest exhibitions in the Northwest. In 1994, MERC took over management of the aging complex from Multnomah County. With the initial support of the Intel Corporation, funding and construction of a new exhibition hall was enabled which opened in 1997. Subsequent to expansion, several event producers were able to expand and enhance their offerings. By 2001, the modernization of the campus continued with an additional facility offering meeting rooms, a spacious lobby and a full-service commercial kitchen.

The campus currently includes a complex of five interconnected buildings offering the following components:

- 333,000 square feet of multi-use exhibition space
- 11 meeting rooms
- Professional catering facilities
- On-site parking for 2,500 vehicles
- Acres of outdoor exhibition space
- Convenient access to mass transit including the TriMet Interstate Max Light Rail

The modernization and expansion of the Expo Center have allowed the venue to continue to accommodate a variety of consumer shows, some of which have been serving the public for over 50 years. These events exemplify the unique business-to-consumer relationship that is made possible by the Expo Center. In addition, the facility also hosts corporate events, banquets, concerts, community events and serves as the home venue for the Rose City Rollers roller derby team.

General Overview of the Expo Center (cont'd)

The region benefits from the on-going operations of the Expo Center in a number of ways, including such tangible and intangible benefits as:

- Providing a means for Statewide wholesale and retail businesses to showcase their merchandise in an efficient manner
- Supporting smaller, local businesses by bringing a critical mass of buyers together to see their products
- Providing a venue for show producers to supply related industry educational sessions that are often funded by local municipalities elsewhere
- Enhancing show spin-off spending on related items (e.g., fuel, life-jackets and trailers for boat sales)
- Generating public awareness and funding of non-profit organizations' missions for related industries (e.g., several show producers spend a portion of their gate revenue on related non-profit groups and/or educational scholarships)
- Providing an alternative venue within Portland and the State of Oregon for larger consumer shows indirectly freeing exhibition space and dates at the OCC for conventions/tradeshows which generate more economic impact
- Providing an alternative entertainment option for residents and visitors, including OCC convention attendees
- Promoting the industries that host their events at the venue as well as enhancing business for other area companies involved in related services (e.g., advertising, transportation, printing, security, etc.)
- Generating additional economic activity and enhanced fiscal revenues

General Overview of the Expo Center (cont'd)

Similar to the OCC and the PCPA, while the value of some of these benefits is difficult to measure, the economic activity generated by the Expo Center can be quantified in terms of spending, employment and earnings. Based on information from a variety of sources including, but not limited to, representatives from area municipalities, Expo Center management, producers of events, exhibitors and attendees, this analysis summarizes the estimated direct, indirect and induced economic benefits and tax benefits from the Expo Center's operations in FY 2009.

Summary of Expo Center Activity in FY 2009

Expo Center's mission is to provide facilities and services to host consumer and trade shows as well as generate maximum financial return and economic benefits. In FY 2009, the Expo Center hosted 110 events that drew approximately 454,000 people. Consumer/public shows account for approximately 51% of events, 74% of total use days and 90% of total attendance. Miscellaneous/other events which include Rose City Rollers derbies and corporate marketing events comprise 22% of total events and 7% of total attendance.

Summary of Event Activity at the Expo Center in FY 2009

Event Type	Events	Move-in/ Move-out days	Event Days	Total Use Days	Total Attendance	Average Attendance
Consumer/Public	56	161	169	330	407,717	7,281
Miscellaneous/Other	24	22	42	64	32,208	1,342
Meeting	19	1	20	21	1,607	85
Tradeshow/Convention	8	14	14	28	10,129	1,266
Food & Beverage/Catering	3	2	4	6	2,344	781
Total	**110**	**200**	**249**	**449**	**454,005**	

Note: Miscellaneous/Other includes events such as Roller Derby, Sony Take Back - Electronics Recycling Event, Girl Fest, etc.
Source: Expo Center Management

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Estimate of Economic Benefits Generated
From On-Going Operations of the Expo Center in FY 2009

The table below summarizes the estimated economic impacts generated from Expo Center operations in FY 2009 in terms of total direct and indirect/induced spending, employment and earnings. As shown, Expo Center event activity was estimated to generate approximately $35.4 million in total spending and 400 jobs.

Estimated Economic Benefits From Expo Center Operations	
Category	**FY 2009**
Spending	
Direct Spending (Output)	$20,413,000
Induced/Indirect Spending	$14,971,000
Total Spending	$35,384,000
Total Earnings	$13,233,000
Total Employment (number of FTEs jobs)	400

Notes: (1) Dollar amounts are rounded to the nearest thousand.
(2) FTE denotes full-time equivalent employees.
(3) Earnings represent the wages and salaries earned by employees of businesses associated with or impacted by the facility.

The pages that follow discuss each component in more detail.

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Summary of Expo Center Survey Process

In order to assist with developing an estimate of direct spending generated by Expo Center events, surveys were conducted with event attendees, exhibitors and producers to obtain input on their spending patterns both inside and outside of the facility. This research does not represent a statistically valid survey effort.

Attendee and Exhibitor Surveys

In FY 2009, on-site surveys were conducted with attendees and exhibitors at the following eight consumer shows:

- Rose City Gun & Knife Show
- Rose City Dog Show
- Northwest Fire & Rescue Expo
- Portland Auto Swap Meet
- Portland Boat Show
- Sportsmen Show
- 2008 and 2009 Home and Garden Shows

A total of 882 attendees and 653 exhibitors completed the survey. In addition, results from the surveys conducted with five consumer shows in 2008 were also used. In 2008, responses were received from 618 attendees and 445 exhibitors. Results were tabulated using a web-based survey system and analyzed to gain an understanding of where respondents reside, their length of stay in Portland, travel party size, where overnighters stay (e.g. hotel, private residence, etc.) as well as estimated daily spending inside and outside Expo Center.

Consumer Show Producer Surveys

In 2008, direct interviews were also conducted with 11 event producers representing 21 consumer shows, one tradeshow and the Rose City Rollers. Most of these events is held annually at Expo Center. Combined these events accounted for approximately 55% to 60% of FY 2008 and FY 2009 attendance. Discussions with producers sought to understand the origin and daily spending of production personnel, exhibitors and attendees.

Key findings of these discussions were used to estimate the spending generated by Expo Center event activity and are included, where relevant, on the pages that follow.

Summary of Direct Spending Inputs

The three categories that comprise direct spending are attendee spending, event producer/exhibitor spending and budgetary spending by the Expo Center.

Attendee Spending Outside Expo Center

Based on information provided by management, input from event producers as well as on-site surveys conducted at Expo Center events, attendees were categorized as high impact, defined as those that stay overnight in a hotel room, or low impact, generally local patrons attending events. The following outlines a summary of responses from direct event producer interviews conducted in 2008 as well as a weighted average of the on-site surveys conducted in 2008 and 2009.

Attendee Attributes	Event Producer Interviews	On-Site Surveys
Percent from Oregon	88%	61%
Percent Overnight[1]	12%	29%
Average travel party size	1.7	2.9
Average daily spending/attendee outside Expo	$90.72	$51.20
Average length of stay	1.0	2.5
Percent Day-trippers	88%	71%
Average travel party size	n/a	3.2
Average daily spending/attendee outside Expo	n/a	$19.70

Note: [1]Show producer overnight represent those staying in a hotel whereas on-site surveys include attendees staying in a private residence.

On-site attendee survey responses included a number of overnighters who stayed with family or friends weighing down the average "overnight" spending per day. For purposes of this analysis, more weight was placed on consumer show producer survey responses for high impact per day spending as we were able to ask more detailed questions and clarify that their responses included spending only for those staying in hotels.

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Summary of Direct Spending Inputs

For purposes of this analysis, approximately 10% of attendees at consumer shows, 10% of attendees at miscellaneous/other events and 5% of convention/tradeshow attendees were estimated to be high impact and the remaining attendees were assumed to be low impact.

Based on on-site surveys conducted by Expo Center management as well as interviews with production companies discussed previously, the following table outlines per day attendee spending figures applied to estimates of high and low impact attendees. Spending by attendees inside the Expo Center is taken into account by the facility's budgetary spending.

Per Day Spending	High Impact	Low Impact
Attendee	$75.00	$20.00

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Summary of Direct Spending Inputs (cont'd)

Event Producer/Exhibitor Spending

Consumer and trade show producers make substantial investments in the events that they host. These organizations purchase goods and services from either the Expo Center or from outside sources. Items such as exhibit space and various event services are typically provided by the Expo Center which are reflected as revenues for the venue. Since this spending is eventually reflected in the budgetary spending by the Expo Center, these amounts are excluded from event producer spending to avoid double counting. Further, producer spending with external vendors that takes place before or during a show such as advertising, printing, security, transportation, etc. is considered part of the induced/indirect spending that is generated by Expo Center operations.

Based on the on-site surveys of Expo Center exhibitors and interviews with event producers, an estimate of exhibitor personnel per event attendee was calculated and applied to estimated spending per exhibitor personnel per day. Similar to event producer spending, estimates were made for spending by exhibitors outside the facility to avoid double counting of items purchased inside the Expo Center.

Event producer and exhibitor spending per personnel per day for consumer/trade shows are shown below.

Per Day Spending	High Impact	Low Impact
Producer Personnel	$90.00	$38.00
Exhibitor Personnel	$70.00	$20.00

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Summary of Direct Spending Inputs (cont'd)

Budgetary Spending

Budgetary spending refers to the "expense side" generated by the Expo Center. Regardless of the source or magnitude of the revenues that the building produces, this analysis focused on the operating expenditures occurring in the Multnomah County economy. Based on information provided by management, operating expenditures for the Expo Center were approximately $4.6 million in FY 2009.

Summary of Direct Spending Inputs

Based on the previously described assumptions, the total direct spending related to Expo Center attendees, event producers and exhibitors outside the facility as well as Expo Center operating expenditures was estimated to be approximately $20.4 million in FY 2009. The table below summarizes the breakdown of estimated direct spending among these groups.

Category	Amount
Attendee Spending	$11,527,000
Event Producer/Exhibitor Spending	4,240,000
Budgetary Spending by Facility	4,646,000
Total	**$20,413,000**

Note: Amounts are rounded to the nearest thousand.

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Estimate of Fiscal Benefits Generated From On-Going Operations of the Expo Center in FY 2009

Based on the effective tax structure presented previously, tax revenues generated from Expo Center operations and related spending in FY 2009 were estimated to be approximately $1.3 million with approximately 40% generated by State of Oregon taxes, 31% by the Metro excise tax, and 29% by Multnomah County sources. As mentioned previously, the City of Portland may also benefit from Expo Center operations by hotel stays within the City and the resulting portion of the transient lodging tax that is allocated to its general fund.

Estimated Fiscal Benefits From Expo Center Operations	FY 2009
State of Oregon	
Personal Income Tax	$430,000
Corporate Excise & Income Tax	69,000
Transient Lodging Tax	33,000
Total	$532,000
Metro	
Excise Tax	$415,000
Total	$415,000
Multnomah County	
Transient Lodging Tax	$381,000
Business Income Tax	15,000
Total	$396,000
GRAND TOTAL	**$1,343,000**

Note: (1) Amounts are rounded to the nearest thousand.
(2) Although Multnomah County collects the Transient Lodging Tax, a portion of this tax is distributed to the City of Portland to its general fund and to fund Travel Portland.

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MERC Commission Meeting

January 6, 2010
12:30 pm

7.0 - Strategic Discussion – PSU Graduate School Exposition Industry Trends and Expo Center Recommendations

Portland Exposition Center

A Plan for the Future

December 11, 2009

Portland State University
Graduate School of Business

Pamela Cortez
Kathryn Davidson
Shawn Duffy
Nicholas Nelson
Sven Leff

Executive Summary

The Portland Metropolitan Exposition Center (Expo) has engaged the Portland State University Graduate School of Business to research the convention and exposition industry, identify trends of comparable locations, build strategy recommendations, and present a report of the findings and recommendations for Expo. Our research used multiple primary and secondary resources**.**

We conducted interviews with seven venue representatives, two industry experts, two venue selection committee chairs, one show promoter, and two MERC commissioners to gain insights into Expo from their perspective. To supplement this primary research, we sought out industry papers and research that could be used as secondary resources. In this process, we utilized the websites and data from ten additional comparable venues, research from industry research entities such as the Center for Exhibition Industry Research (CEIR) and the Oregon State Office of Economic Analysis, presentations from industry experts, and other white paper sources. This mixed methodology resulted in a firm foundation for developing recommendations based upon industry historical trends.

As the West Coast's largest public exhibition facility built solely for that purpose, Expo is a formidable and well positioned presence in the marketplace. Expo's success, progress, and current market position is largely due to highly effective management and prudent use of resources. Expo has had a number of years of operational financial success. It is commendable – and rare - that Expo often covers their debt service of more than $1M and their nearly $0.5M in administrative support each year strictly from operations. With some strategic investment Expo can continue to succeed in the future anticipated in the industry.

The recommendations in this report are built upon short term, medium term and long term horizons. Generally speaking, our recommendations include multiple sales and marketing initiatives to increase the number and diversity of audiences, and expressly demonstrate the need for a long-term master plan that diversifies the type of facilities found on the property.

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Company and Project Description

Portland Metropolitan Exposition Center, (hereinafter called "Expo"), is Oregon's premier consumer show and exposition venue offering 333,000 square feet of exposition space in five joined halls over a 52-acre site. Its location along the Columbia River on Marine Drive and Interstate 5 is within eight miles from downtown Portland and within nine miles of the Portland International Airport.

Expo has been a part of the Portland community since 1922. Through the 1950s, Expo served the Pacific International Livestock Association – primarily a venue for livestock and agricultural shows and auctions. Even then it was known as a place for people to gather and share experiences. The facility was purchased by Multnomah County in 1965 and renamed the "Multnomah County Exposition Center". In 1994 Metropolitan Exposition Recreation Commission, (MERC) began management of the "Portland Exposition Center". In 1996 ownership of the property was transferred to Oregon Metro.

The original portions of the structure, halls A-C, date to the 1920s. Hall E was built to meet the specifications of a Smithsonian Institute exhibit in 1997, and the current Hall D replaced an older exhibit hall in 2001. Also included with the 2001 modernization was the addition of eight meeting rooms, a lobby and commercial kitchen.

Expo is one of three facilities managed by MERC – the Oregon Convention Center (OCC), the Portland Center for Performing Arts (PCPA), and Expo. MERC is a subsidiary of Oregon Metro, a regional government comprised of a region-wide elected Council President, 6 regionally elected councilors, a region-wide elected Auditor, and a management team appointed by the Council. In 1987, Metro created MERC to develop, operate, and manage the region's convention, tradeshow, and other spectator facilities. MERC is overseen by a 7-member Board of Commissioners separate from the Metro Council. Over time the portfolio of MERC has grown with the opening of OCC in 1990 and gaining operational authority over Expo in 1992. Presently MERC manages just over 1.65 million square feet of event, convention, tradeshow, and spectator facilities.

MERC has engaged the Portland State University Graduate School of Business (PSU) to research the convention and exposition industry, identify trends of comparable locations, build strategy recommendations, and present a report of the findings and recommendations for Expo. Expo has requisitioned a handful of development and strategy plans over the past few years, so the PSU project will look to build upon those findings and provide a cohesive and centralized plan. The goal of this report is to deliver key opportunities in the form of recommendations that allow Expo to both continue to operate profitably and to brand itself as a leading convention and exposition location on the West Coast.

Time Horizon for Investment

The recommendations in this report are built upon a set of time horizons used to categorize them into short, medium, and long term periods. The short term is defined as 0-4 years, the medium term as 4-10 years, and the long term as 10+ years. The short term recommendations are ones that we feel are best implemented immediately, but have extended the period to account for the budget and planning process. The medium term recommendations are made with the intent of continued growth, and the long term recommendations are proposed with the ultimate goal of the Expo site in mind, but without the present or medium term economy to hamper their implementation.

Research Methodologies

In order to familiarize ourselves with the convention and exposition industry, our research methodology took a cross-section strategy using multiple primary and secondary resources. Our primary research centered on the comparison of other locations, and, with the help of Expo leadership, twenty-five comparable venues were identified. This list was utilized for the primary selection of comparable venue interviews and research. Characteristic reports were completed for each of the venues and interviews were conducted with seven of the venues directly. In addition to the venue interviews, two industry experts, two venue selection committees, one show promoter, and two MERC commissioners - Mr. Gary Conkling, the Interim Chairman of the MERC Commission and fellow MERC Commissioner Mr. Ray Leary – were also interviewed. See Appendices 2 and 6 for notes from our primary research.

To supplement this primary research, we sought out industry papers and research that could be used as secondary resources. In this process, we utilized the websites and supplemental data of all comparable venues and other locations across the U.S. We also used research provided by industry research entities such as the Center for Exposition Industry Research (CEIR), the Oregon State Office of Economic Analysis, presentations and analysis from industry experts, and other white paper sources.

This mixed methodology resulted in a firm foundation for developing recommendations based upon industry historical trends, industry analyst recommendations, and industry research. Additionally, the mixture of primary and secondary sources mitigated any misleading indicators and as we found with our process there was some repetition within the industry.

Finally, in order to complete this analysis within the current climate, some assumptions about the future of the Expo property were made, specifically that the Columbia River Crossing project's ultimate layout and configuration will not impede upon the Expo site. Additionally, the Urban Design Concept plan which shows the ultimate redevelopment of the Expo property is defined as the desired ultimate goal.

Market Analysis

The history of the convention and exposition industry can be traced back to Middle Eastern bazaars or markets, but the industry truly started in 1851 with Prince Albert's Great Exhibition at the Crystal Palace which was intended to exhibit British equipment but offered exhibits from across the globe. The Great Exhibition contained 13,000 exhibits and over its duration was viewed by 6.2 million visitors. It was like nothing else in Europe and was used to showcase the advancement of Great Britain into the Industrial Age. This type of exposition spread throughout Europe and, after World War II, into the United States.

It was at this same time when air travel commercialized and the interstate highway system was becoming more developed that convention center growth exploded. Convention centers had been primarily used for tradeshows and business conventions, but would fill the gaps in their schedules with the occasional consumer show (i.e. Home and Garden, Boat, RV, etc.). That practice started to shift as demand increased for both convention-style shows and for consumer shows. The resulting scheduling difficulty ignited the construction of new exhibit halls. Doug Ducate, CEO and President of CEIR, classified four generations of sites saying that the first generation were just big boxes with docking bays; the second generation were slightly prettier boxes; the third generation the boxes started looking more and more like hotels; and finally, the fourth generation the boxes seamlessly fit into communities and had an appeal all to their own with restaurants and other attractions.

Growth continued for decades until 2001 when, with the bursting of the dot-com bubble, the convention and exposition industry experienced multiple consecutive quarters of negative growth. The industry continued to slump until the first quarter of 2003 according to Ducate. In addition, the economic downturn in recent years based upon failed mortgages, derivatives trading, and the frozen credit/bond market has magnified the problems. The exposition side of the industry is especially reactive to the changes in the sub-industries it serves. For example, the decline in housing prices and recreational vehicle sales results in a proportional decline in the amount spent on square footage at exposition events for shows centered around these industries. This is being felt across the exposition industry as companies and industries become increasingly cost conscious and look for ways to reduce expenses while holding revenues static.

Portland has not been immune to the downturns. Tom Potiowsky, the Oregon State Economist, in a presentation to PSU stated that Oregon is not buffered from such economic impacts, but that we are slower to feel their effects. Also, as noted in his department's Economic and Revenue Forecast from September 2009, the outlook for Oregon includes a less dramatic downward slide over the next year with a recovery starting as early as the latter part of 2010 or early 2011. Potiowsky paraphrases an analogy by David Wyss of Standard and Poor's saying, "The U.S. economy was skiing on black diamonds at the end of 2008 and the first quarter of 2009. Now [second quarter of 2009] we are skiing on blue diamonds, but we still have not reached the chair lifts."

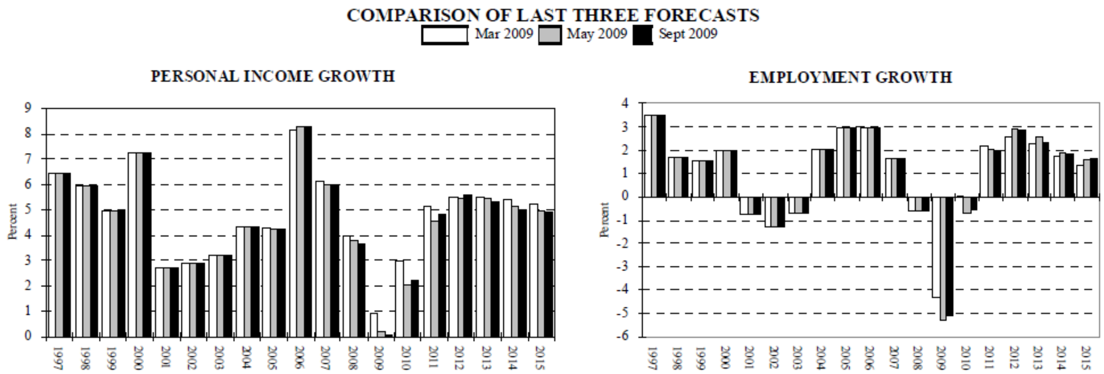


Figure 1: Oregon Personal Income Growth and Employment Growth (Source: Oregon Economic and Revenue Forecast, September 2009)

Expo has experienced similar effects as shows waver in holding their previously reliable commitments, consolidate, or cancel all together. Expo is directly impacted by such downturns and will continue to feel the effects until the recovery in sub-industries begin and confidence is regained. It is not expected, based upon both industry analysts and the economic forecast, for the state to return to pre-2001 levels for at least three years, if ever. Additionally, based upon market indices, such as the CEIR Index (an index of convention and exposition centers based upon net square footage, companies exhibiting, event attendance, and revenue), the convention and exhibition industry is reactionary to the economy and supporting

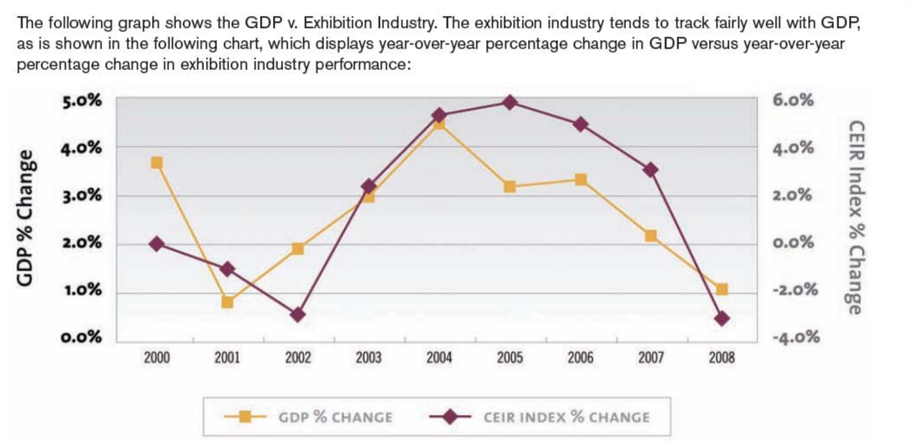


Figure 2: Percent Change in GDP and CEIR Index (Source: CEIR Index Report 2009)

industries, which means it lags behind as seen in Figure 2 which compares the percent change in GDP to the percent change in the CEIR Index. Despite the downturn, Expo has been able to meet their expenses and debt service as the industry struggles. We identify this positioning as a competitive advantage for Expo.

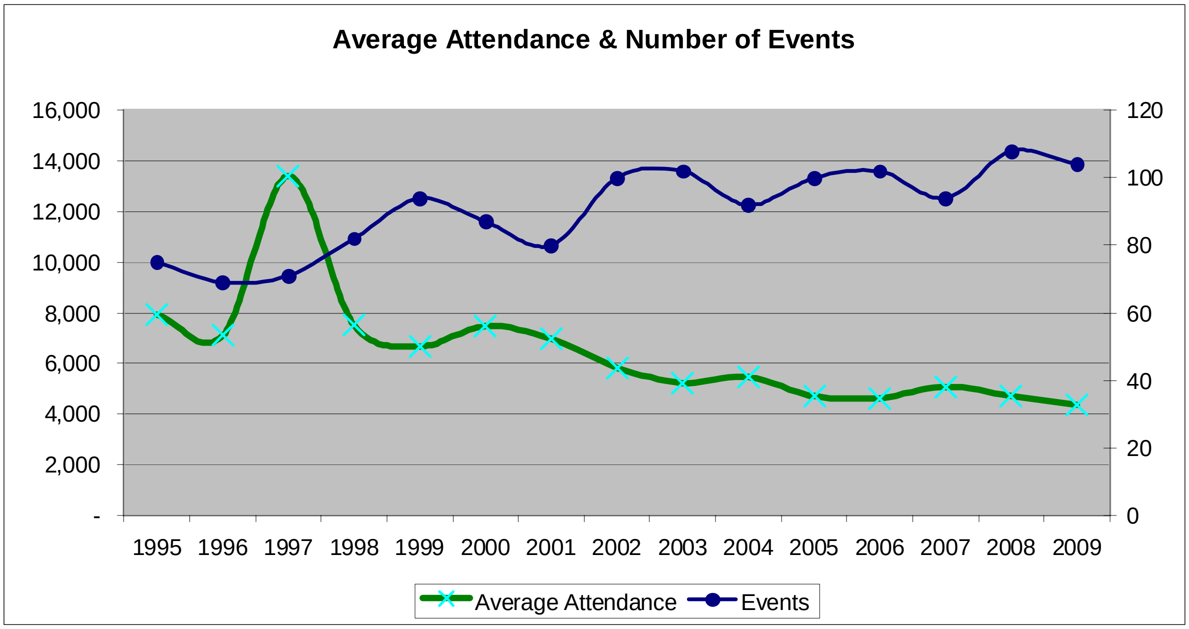


Figure 3: Average Attendance 1995-2009 (Source: Eric Hovee Report and Expo FY 08-09 Accrual Sheet)

The exposition industry, which grew primarily out of necessity for more space, had been growing up until the recent recessions. Based upon the Economic Forecast for the State of Oregon and the present utilization of Expo, it is our analysis that additional exposition space is not necessary in the short or medium term.

The initial image of exposition halls was the big building next to the fairgrounds or the building that was used to auction off livestock or house the baking contest during fairs. Most venues today still have some form of agriculture or fairground within the same complex, but this is where Expo is uniquely positioned in the industry. Expo, due to its position in between a classical exposition and convention site, has a large number of consumer and public shows and is still able to host events such as concerts and sporting events that are atypical to standard exposition and fairground facilities. This is a direct result of the design and amenities offered at Expo, and give Expo a competitive advantage in the industry at present. In the opinion of the industry experts we interviewed, convention and exposition facilities will need to find increasingly creative ways to identify and book events. The industry is proving to be cyclical, so the long term will see this changing need, which is further discussed in our Marketing section. The industry trends that are based upon analysis of the historical trends and input from comparable venues and industry experts stress the need to make every effort to maintain or grow revenues with shrinking demand through additional marketing and cross-promotional efforts.

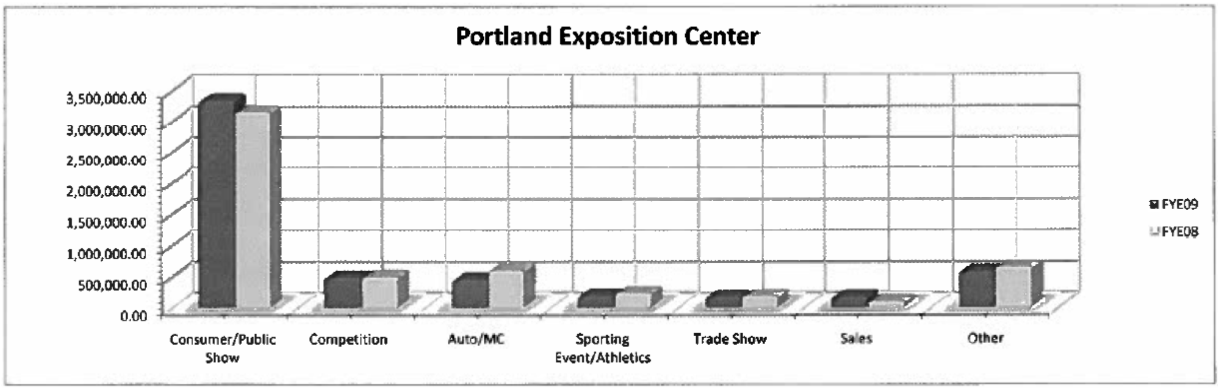


Figure 4: Portland Exposition Center Revenue by Event Type (Source: MERC Commission Meeting Packet November 2009)

Regarding the convention and exposition industry's cyclical trend, the short term can be defined as survival, the medium term as resurgence with moderate growth, and the longer term as conservative expansion. Barry Straffacci, Vice President at Global Spectrum and an industry expert, states that the near term will be marked with increased creativity in the methods taken to attract the existing shows to venues as well as facilitate the development of the next generation of show promoters. His observation is that the current show promoters are advanced in their careers, and he fears that the next generation of promoters has not been identified nor sufficiently recruited.

Straffacci uses the example of an experience he had at a show in Chicago where the promoters put on a mixer during the opening night that had not been advertised in any way leading up to the show, but well into the first day of the event a Twitter post was made announcing the after-party for that night. Attendance was in the hundreds. The pervasiveness of social networking is gaining in influence for all industries; exposition and convention is no exception. The ability to reach the customer in a concentrated, and relatively inexpensive, form is becoming increasingly important given the reductions in resources.

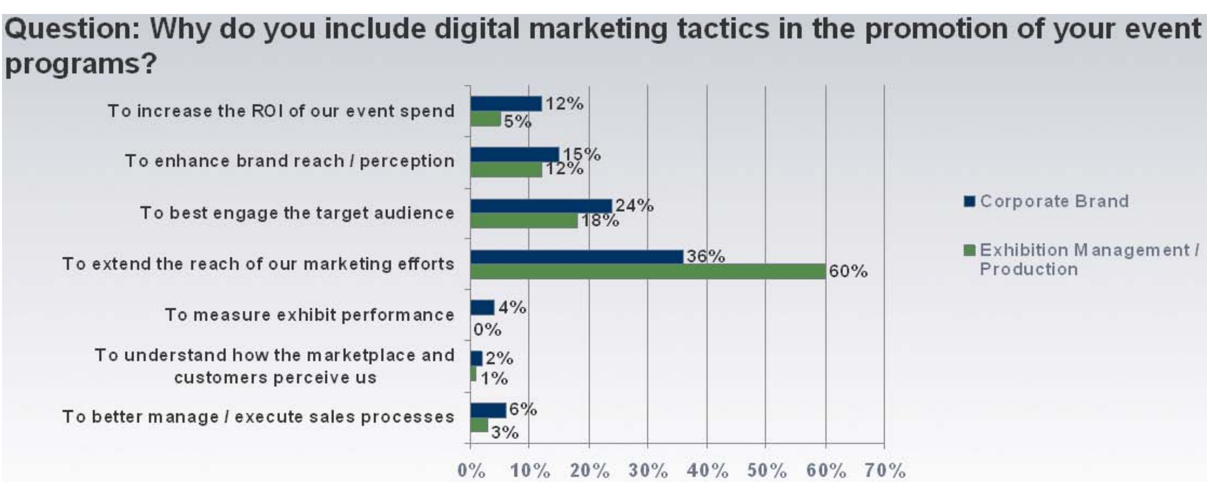


Figure 5: Digital Marketing Survey Results (Source: Digital + Exhibit Marketing Insights 2009. CEIR and George P. Johnson Experience Marketing. May 2009)

In a joint study published by CEIR and George P. Johnson Experience Marketing, survey results were collected to measure the impact digital marketing will have on the present and future of the industry. The importance of digital marketing in the expansion of the industry is high given the progressive shift in event audiences, show promoters, and constriction of budgets. Digital marketing is not only the next iteration of creative marketing, but it offers significantly higher ROI relative to print and broadcast advertising due in part to the ability to concentrate the message to a small group of well targeted customers. Expositions especially have the unique situation where their customer base is not a single group, but is comprised of event promoters, show organizers, and event attendees. This reduces the impact of the traditional advertising methods since the concentration of these customer bases are difficult to reach.

Marketing and Sales Management

Present configuration of the marketing and sales functions at Expo

According to the FY2010 MERC budget, Expo has an in-house sales and marketing staff of 3.25 FTE. This is divided into 0.8 FTE sales and 2.45 FTE events. These resource are dedicated to working with perspective promoters and returning shows to solidify the dates available and facilitate scheduling. The process includes providing materials to clients for application, reviewing application information, checking references or substantiating background information, assisting with the set up of contracts and contract services and re-booking shows at a future date upon the completion of a current show. Staff also attends conventions and other venues to hand out marketing packets. Expo staff maintains the website and design materials.

Specific sales and marketing trends

Tradeshows

The economic downturn has had a negative impact on many of the current or potential sources of business for Expo. *Tradeshow Weekly* reported in its November 2, 2009 issue that the third quarter of 2009 has been a rough time for the tradeshow industry with net square footage utilized and the number of exhibiting firms experiencing drops of 17.4% and 12.1%, respectively. A year ago, net square footage utilized was down 2.5% and the number of exhibiting firms fell 6.5% – a two year trend of decline.

Even with these continued declines, attendance has leveled off for the first time in seven quarters. In fact, average attendance at third-quarter shows saw a slight increase of 0.6%, compared with a 3% dip in the third quarter last year. “Generally, corporations have been cutting costs dramatically across the board,” said Michael Hughes, *Tradeshow Weekly* associate publisher and vice president of research and consulting, in response to recent downward trends.

In the *Tradeshow* report the shows that had seen an increase in attendance attributed it to changed content, better selection of exhibitors and improved marketing. Some of the strategies for marketing were increased promotions at the shows, including live radio and TV remotes from the show and giveaways. The use of social media (Facebook, Twitter and Ning), online and email promotions to encourage both promoters and attendees grew, as did the use of sponsorships (there has been some movement away from a few large box sponsors to increased numbers of smaller sponsor partners). There has also been an increase in the use of education and demonstrations interspersed in the exhibits.

Consumer shows

For the consumer show industry, a report in *Tradeshow Week* October 2009 revealed that there had been a decrease in overall average gross sales of 4.7%. The report also indicates that attendance at shows in the past two years rose or stayed the same in more instances than it decreased, and, while expectations for 2010 aren't great, more show managers said they expect their event revenue to grow than to stay flat or decrease.

Results of the annual survey of consumer show organizers indicate that 18% of show managers who participated in the survey expect at least a 10% increase in revenue growth. Another 28% expect growth of less than 10%, while about the same number, 28%, expect flat or negative growth. Close to the same number said they don't know what to expect. New exhibitors this year, as in the past, were cited in the survey as the main reason for show growth. Even so, new attendees provided much stronger growth this year than last, as did anchor exhibitors. Show managers said this may be because better marketing, improved value, and stronger sales efforts have been employed to curtail possible economic downturn-related drops. When shows whose revenues were growing were asked what had contributed most to improving revenues 43% cited better marketing and 35% cited a stronger sales approach.

Chris Baker, owner of Pennsylvania-based Landmark Event Management which owns and manages RV, boating and outdoor shows, said he saw a rise in attendance at his shows, thanks to enhanced, targeted marketing to a more select demographic. “We aggressively explored and launched revitalized marketing and advertising campaigns to exhibitors and to potential attendees,” he added, “Our exhibitors reported that the quality of the attendee seemed to dramatically improve.”

To drive attendance and stretch their marketing budgets, web sites, broadcast and cable TV, e-mail, radio, and magazines were used to market shows. Many in this industry also report using new avenues such as Facebook, and YouTube videos. Fifty percent of respondents noted they had enhanced their sales training.

Meeting planners

The 2009-2010 Meeting Planner Intention Survey of 516 meeting professionals demonstrated that 44% were planning to book fewer meetings off site and 56% expected a decrease in attendees as compared to 2008 levels. Of the respondents 55% were association planners; 45% were corporate or incentive meeting professionals. The most common industry categories in which association planners work were professional (30%), health care (28%), and trade (21%). Sales and marketing will be essential to reaching and attracting this reduced potential population.

The CEIR index for business to business exhibitions showed a decline in all four of its industry matrices in 2008 with a reduction of 3.1% overall. This was the first decline since 2002. They projected a continued decline into 2009. It took the industry three years to recover from the 2001 recession and the index noted that the industry today is very different in regards to the role of live events versus digital to young professionals and the impact of internet and virtual programs on meeting, tradeshow and consumer show industries. All involved in the process of putting on a show must take advantage of, and have infrastructure prepared for, online information, ads, directories, search tools, application/registration and sponsorships. One ray of hope for venues such as Expo comes in a survey of young professionals under the age of 40 which indicated that 84% of those who had the opportunity to attend a trade show or industry exhibition did, and 87% said they would attend if asked. The Generation X group is very family and relationship driven and is looking for a blend of education and meeting, social space with events to attend and network, early notice of schedule to plan attendance at events, and a family friendly atmosphere. The Millennial Generation is concerned with their contribution to and protection of life on earth. They will look for recycling and green features, as well as healthy food choices.

Finally, the Oregon State Economist report projects the number of jobs to be down until early 2013 and that the state economy will not recover until late in 2010. This could have an impact on the number and type of shows as well as the number of attendees. There will need to be concentrated efforts on sales of show dates and marketing of services and shows to demonstrate why people should spend their tightening finances on Expo offerings.

Expo brand development and equity

The long-term development of brand recognition as a place for people to gather, share information and see displays of the latest merchandise is a valuable asset to Expo. The addition of Hall E in 1997 and the presence of the Smithsonian Institute exhibit helped to establish the site as contemporary in both relevance of show material attracted and in facilities. Prior to this time Expo's facilities were seen as aging and in need of updates. Due to the large draw of the Smithsonian show, the venue was showcased to a much wider region creating great exposure of the new facility and the capabilities of the site. The addition of Hall D and its location next to Hall E created a large modern, contiguous interior exhibition space capable of handling very large shows with large exhibit merchandise such as fire equipment, boats and RVs. This is one of the largest contiguous exhibition spaces available in the Pacific Northwest, making Expo a premier destination for these types of shows.

In discussions with promoters and exhibitors, Expo is known for being easy to work with on all aspects of the show from load in, through the run, and to load out. One promoter noted the superiority of the operations staff at this venue compared to others venues where he has held shows. The upkeep and cleanliness of the facility, including the aged portions, was noted as a draw. The size of available space where an entire show can be located in a contiguous fashion and attendees do not have to find multiple locations of exhibits provided positive brand identification from both groups as well.

For some, the obsolescence of portions of the site and the history as a fairgrounds exposition center have created an impression that Expo is outdated. There is opportunity to rebrand

Expo's image as capital improvements are made to the property. This should include the tie to the Portland Metropolitan area, the culture of sustainability in the region, and the high-tech, young professional generations. Tying Expo to the culture of the region by focusing on sponsorships from "green" or sustainable corporations, shows featuring sustainable industries such as solar and wind, and inclusion of these practices to the fullest extent feasible on the site itself could be one approach. There is also the opportunity to emphasize the outdoor aspects of the Northwest. Any efforts should capitalize on the diversity of the region and how the shows or events hosted at Expo reflect that diversity and demonstrate the flexibility of the site.

Some possible themes for the rebranding could include **EX**plore **PO**rtland, **EXPO**sé Portland, and Portland **EXPO**sed. This will require resources for a comprehensive review with consumer input and brand development that is outside the scope of this project.

Recommendations

This is a time of volatility and change in the consumer show and exposition industry. It is a time when aggressive sourcing of shows, effective sales of venue capabilities to prospective promoters, and creative use of multiple marketing strategies is essential. Although Expo staff has made efforts or begun planning in many of these areas, there is a need to provide additional resources so that each can be developed to its fullest potential in a timely fashion to allow for continued profitability.

Promoting Show Attendance - In review of the Expo event analysis for FY 2007-2008 and 2008-2009 the combined revenue from concessions, catering and parking have accounted for 66 and 65% respectively. Since these items are a function of the number of attendees, this demonstrates the need for Expo to focus marketing and sales not only on the promoters of shows at the venue, but also to actively promote exhibition shows to attract attendees as well. This can be done through on line promotions, Facebook advertising that is targeted to market segments identified through demographic data collected at the time of sign up, and promotions for families at appropriate shows.

Process Evaluation - The first area of action should be a review by Expo staff internally to determine whether opportunities to streamline marketing and sales activities exist to maximize efforts as well as determine what opportunities to partner with the sales and marketing staff within other divisions of MERC. There should be a review of the industry trends by the team and a formal process used to set clear and defined goals, accountability measures and desired outcomes for sales and marketing over the next 4 years, incorporating and highlighting changes and improvements as they are incorporated.

Website - Expo's website needs a redesign that updates and refreshes it. This should complement and strengthen any rebranding that is undertaken. The current website has granularity in the graphics and uses a frozen frame concept that creates misaligned margins as one navigates through the site. The home page is very busy with lots of text.

In reviewing multiple venue sites many had a more modern appeal, and were easier to navigate for all interested in the venue. See figure 6 below for websites that best demonstrated this. The goal is to create separate spaces within the website for the prospective promoter and the attendees, both of whom have different navigation needs and behaviors. Due to the current capabilities of the site this should be able to be done without large capital investment. *(Short-term)*

Venue	Web address	Positive Features
Orange County Fair and Exposition	www.ocfair.com	- Home Page Layout, especially dynamic header - Event List, Larger sections w/ logo for each show - Facilities Information, videos and clear pictures
San Mateo County Event Center	www.sanmateoexpo.org	Home Page, Hover over functionality
South Towne Exposition Center	www.southtowneexpo.com	Event Planning Pages, clear layout with nice images
Lane Event Center	www.laneevents.org	Interactive calendar with multiple customizing options
Clark County Event Center	www.clarkcoeventcenter.com	Clean, simple, easy to read, use photos instead of animation and clip art.

Figure 6 – Websites to model after or incorporate elements

For the promoter there should be both a self-navigation option and an interactive "guided tour" on how to determine capabilities, availability, cost and the application process. The application form should be able to be completed online to the greatest extent possible, including auto-fill of completed form information to catering, security choice, etc. Also, the addition of a message to Expo staff when an application is being completed will allow staff to advise the applicant that they are available for instant personal help if desired. Interactive layout design noting infrastructure availability, such as power and data, would also assist promoters. Easy access to information on area amenities, hotels and sponsorships/alliances with these amenities would increase the ease of marketing shows for promoters and exhibitors and be a source of revenue.

From the attendee perspective having the schedule of events easily available, along with the layout and information on exhibitors at shows is important. Features on opportunities for education and networking, and availability of family activities will help attract the younger generation. Features on the application of green principles such as recycling, reduction of water and power use, reuse of items and caring for the environment on site will show the alliance of the venue with the Portland/Northwest focus on sustainability. In addition, there should be a focus on the availability of healthier food choices on site to attract this group as well. There should also be links to other MERC and Metro properties featuring cross-venue marketing and specials for visiting more than one.

It is our recommendation that current web hosting vendors utilized for the generation of the MERC, OCC or PCPA websites be leveraged for this redevelopment to reduce the substantial time and energy that is invested in architecture and functionality designs. *(Short-term)*

Marketing Materials - The marketing packets, which serve to evangelize Expo to those who have never stepped foot on the property, need to be updated with new, higher resolution photos, easy to read fonts (Calibri, Verdana, Arial) and printed on glossy, heavier-weight paper. The present packets adequately emphasize the characteristics and capabilities of Expo, but the lesser details such as weak paper weight and low-resolution photos detract from the potential value added. This does not require large expenditure but has high first impression impact value.

Similarly, an updated single page advertisement should be developed for distribution at shows, at visitor information locations, etc. It need not be complicated or contain the detailed information that is available on the website. Rather it should entice the reader to search out additional information on the website while reinforcing Expo's brand. The goal of this advertising flyer is to generate buzz or interest in Expo so the reader returns to other shows. *(Short-term)*

Social Networking – The development of social networking materials is also necessary. Maximizing the power of a Facebook or Twitter account can reap huge benefits with little cost with the pushing of upcoming events to friends of the venue. This could include directed marketing if some minimal demographic information is collected at the outset. It could also include the distribution of Portland area information, or promotion of venue sponsors to the expected attendee list. Additionally Expo could use Twitter updates during shows for attendees or exhibitors to update to schedules, activities and information. *(Short-term)*

Rebranding – There exists a long established relationship with the local community and Expo as a place for people to gather, share information and see displays of the latest merchandise. Unfortunately, Expo occasionally battles a reputation that has grown from its aged past, particularly the age of "seasoned" facilities such as Halls A, B and C and its history as a county fairground. The new designs of Halls D and E can be the anchors of a new brand that is modern, urban, hi-tech, and/or reflective of all things Portland such as renewable energy and a quality place to live. As the long-term master plan is considered, rebranding efforts can begin in the near future – efforts that can permeate throughout marketing efforts and personal experiences with Expo. Rebranding doesn't need to occur in a single major roll out event at great cost, it just needs a vision and simple direction. *(Short-term)*

Expand Sales and Recruiting Efforts - The most important of all the marketing recommendations – and maybe the most obvious – is the need to become increasingly proactive in courting new shows. The industry experts and promoters that we have interviewed all have said that business used to search out locations, but now the pendulum has shifted and locations will need to start searching out shows. It is increasingly important to fill vacancies as some shows become obsolete (i.e. rummage and antique shows) and others consolidate to a subset of locations. It is our recommendation that an expanded presence be maintained at national trade shows to maintain and expand Expo's position in the marketplace. The sales team should also seek alliances with area visitor bureaus and business associations to identify potential target customers and make first contact.

In addition, working with promoters to facilitate the ability of local students to attend trade shows or educational sessions, and then working with local schools and universities to take advantage of the opportunity should be explored. This may drive concession dollars and is a chance to build a positive image in the minds of these upcoming users of the venue. Giving information on the use of Expo for proms and graduations may, at the same time, promote increased diversity of usage as well. *(Short-term)*

Alliances - Alliances with local organizations will be the key to referral business. Expo leadership has already mentioned alliances with similar exposition and convention facilities across the Pacific Northwest, and we feel that those relationships are a key strategy that can be built upon to increase the success of Expo. Expo needs to increase the local aspect of those relationships to include local hotels, Chambers of Commerce, tourist centers, etc. The goal with these alliances, aside from referral business, is to further generate a buzz and unique identity that facilitates Expo's marketplace and core business. This could also include placement of area businesses or venues within a show layout to promote the City as a whole, charging a fee or sponsorship arrangement for that exposure. *(Short-term)*

Diversify Shows with Entertainment - Expo presently has a relatively diverse set of shows and events. It is our recommendation that this diversity be further explored. Expo is in a unique and valuable position between a traditional fairgrounds and convention center, yet opportunities exist for Expo to expand its scope into entertainment as a music venue as well, hosting small concerts and large dances, small regional sporting events, and other atypical expo events. Previously compiled reports have made a similar recommendation. Competing directly against the Memorial Coliseum is not recommended as the characteristics of each facility are vastly different. However, an event that would be too small for the Coliseum could fit nicely into Expo's existing facilities. Additionally, larger dances similar to the Mexican Heritage Dance or other large high school proms could lend themselves well to additional gap fill revenues given the short load-in/out periods. An entertainment function can increase the audience that arrives via TriMet who are not hauling purchased goods home in their vehicles. *(Short-term)*

Cooperative Promotion of Shows – Staff can expand beyond working with promoters to include work with individuals and organizations to facilitate events. This would not be a co-promotion financial partnership but rather a partnership for planning and organizing the event from the beginning.

As has been mentioned previously, shows are no longer searching out a location, locations are searching out shows. Therefore, we recommend that the client base of Expo expand to include not just show promoters but also like-industry individuals who collectively could produce an additional event. The primary recommendation includes the retraining of sales staff to facilitate the event organization, promotions, setup, and billing and well as the purchase of linens, backdrops and other items to rent to complete show needs.

Additionally there is opportunity for co-promotion of social or education areas, or children activity area within shows as appropriate, that includes a no host refreshment area to not only attract young professionals and younger generations but to also increase concession or catering revenue. *(Short-term)*

Cross-Promotional Opportunities – We recommend exploring opportunities with local business and organizations that match the Expo brand and/or audience to promote a win-win circumstance for both. *(Medium-term)*

Organization and Management

As the West Coast's largest public solely exhibition facility, Expo presents a formidable and well positioned presence in the marketplace. Expo's success, progress, and current market position is largely due to highly effective management and use of resources. However, future success will require evolving and maintaining flexibility toward the changing market. Support provided by MERC to champion Expo as they respond to these changes is crucial.

Analysis of Configuration

Currently MERC manages the OCC, PCPA and Expo. In this environment, each one of these organizations has several business functions that are run largely independent of one another, creating the feeling of vertical silos. In many organizations this can create a large degree of protectionism within these silos where autonomy and resources are guarded. This environment is not conducive to the success of the total organization, and it can limit the exchange of ideas and innovation. More specifically, this can waste money where duplication exists between functional units or when two units find they are competing against each other. Where duplication exists, Expo should recognize it with the help of MERC and work to streamline the function in the parent organization, thus lowering total overall costs.

See appendices 4 and 5 for organizational structures of MERC and Expo.

Recommendations

Marketing Synergies –All three MERC divisions can benefit from both centralizing marketing efforts and maximizing synergies, as well as receive significant cost savings from the scale of the work. MERC and its divisions can also benefit in professional appearance if they can come together as one organization and are treated as one entity by the marketing professionals contracted or employed. Similar appearance in materials can have the impact of branding the MERC venues together as well. *(Short-term)*

Reengineering - The goal of reengineering is to resolve the inefficiencies of the vertical unit structure of a business in order to improve the efficiency and effectiveness of the processes that exist within and across the organization. Transferring of best practices, growing revenue through shared expertise, developing new opportunities through cross-pollination of ideas, and well-coordinated implementation of projects are some of the key benefits of this approach. There are key instances when the sharing of resources could lower the overall cost to MERC when the needs of OCC, PCPA, and Expo combine. Specifically, Expo and OCC both have quality sales and management staff. These staff should be trained and charged with marketing, selling and managing events in *both* facilities to reduce lost business and increase promoter satisfaction through securing the facility that best meets his needs.

An assessment of additional support functions that can be consolidated in the MERC offices, thus allowing them to be utilized by all MERC divisions, should be undertaken as well. The goal of this re-organization is to promote maximum utilization of all facilities across both industry segments and eliminate duplication. This newly created MERC staff could allocate and schedule bookings to a facility based upon client needs, requests, historical successes, and offer the clients a single point of contact for access to both facilities. *(Medium-term)*

Increase synergies across MERC/Metro Facilities - MERC and Metro offer diverse venues and facilities. It is our recommendation that these facilities increase the synergies and cross-promotional opportunities between themselves. An example of this would be a coupon printed on the back of an Oregon Zoo admission ticket that gains discounted entry to an upcoming Home and Garden Show at Expo or an outdoor performance at Expo organized with help from PCPA.

A key element of collaboration among venues must be a coordinated effort between the two divisions, complimenting one another instead of competing. The OCC target demographic should be conventions and select industry tradeshows (Business to Business focus); while Expo's target should remain the consumer events (Business to Consumer focus), tradeshows that suit this venue, and public shows. A key strategic point in alignment with this concept is that OCC develops an adjacent headquarters hotel. Due to the lack of quality adjacent convention hotels and high occupancy rates during prime convention and tradeshow seasons, the OCC requires this to be competitive with other cities. Indirectly such a hotel would also significantly benefit Expo by clarifying the focus of OCC. *(Medium-term)*

Capital Improvement

Analysis of Present Configuration

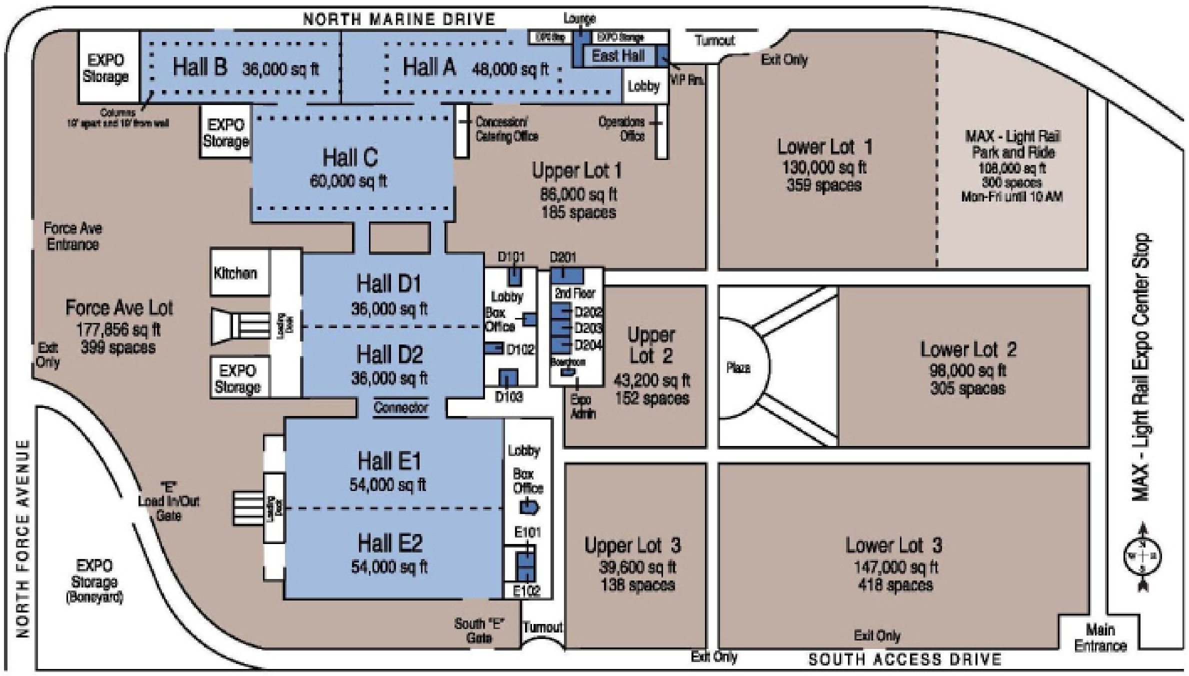


Figure 7 – Current design of Expo property

Figure 7 above shows the current layout of the Expo property. Halls D and E are the newest halls and present an industrial, almost new-age feel. They have allowed Expo to be competitive in a tight industry up to this time. The current configuration provides adequate parking for events on all but approximately ten days per year. The Force Avenue lot provides easy parking and load-in/breakdown access for exhibitors and vendors in halls D and E, and to some extent hall C.

Halls D and E are built in a warehouse-style large, central area with the possibility of inserting a wall down the center of each, effectively cutting each hall in half as denoted by the dashed lines in Fig. 8. This design offers much flexibility in arrangement of vendors/exhibitors booths and allows the space to be used in a great number of different events.

While halls A-E offer a significant amount of contiguous exposition space, 330,000 ft^2, the different feels of the five halls create a distracting atmosphere as one passes from halls E and D into hall C, and again from hall C into either A or B. Hall C offers a perceived wooden and nostalgic feel which would easily remind visitors of livestock shows or bull riding events. Halls A and B, on the other hand, have a decidedly more lighted feel, with the use of natural light through the windows/doors to Marine drive. These separate feels to the halls expand the ability of expo to cater to shows, but are also a distraction to attendees when all halls are utilized for a single event, disrupting the flow and evoking different feelings as attendees pass from one building to the next.

The differences between each of the halls in their physical designs are a testament to the history of the exposition industry. As the conference and exposition industries have begun to diverge both from each other and from fairgrounds all three industry venues continue to struggle to define target markets that do not directly compete. Even with the market segmentation attempted up to this point, there has continued to be some overlap between target markets. In an area such as the Willamette Valley, where the competition is between five fair complexes, two convention centers, an exposition center, and various hotel conference centers it is understandable that competition is much fiercer than an area with only a couple main competitors.

In terms of comparable venues, there are only three venues from the list of approximately sixty venues given us by the Expo team which were exposition centers only. All others had a varied focus of either convention/exposition or fairground/exposition. This makes Expo rare among its competitors with such a narrow focus.

Comparable Facility Site Amenities

Hotels – Most of the comparable venues which were interviewed had hotels within a five mile radius, and all had hotels within ten miles of the facility. There was significant variance in the number of rooms available, but when hotels were an easy access from the site, the site considered them a draw to the facility. These hotels are mostly used for exhibitors for business-to-consumer or business-to-business shows. For venues which had branched out into meetings, the hotel rooms were also used by attendees during these events.

Recreation – The venues interviewed all made specific points about recreation available around their venue. Many highlighted golf courses, winter sports areas, or other outdoor sports areas available within a short distance of their property.

Data access – Many of the venues have data access points and internet access available. There is a large range of data port availability and internet access availability, and most venues believed that data access will be an important decision factor as the next generations began to make up a significant part of the attendees for shows. Fairground properties tended to be the worst for data access, although a couple had added wireless or WiFi within the past few years. The best access was the Deschutes County Fairgrounds and Expo who had purposefully put power and data access points every 20 sq ft in the floor to give each exhibitor booth power and data access without the necessity to run lines.

Meeting Space – Meeting space is an amenity which varies widely between venues. Many venues have specified meeting rooms in varying shapes and sizes as well as general exhibition space which can be converted into meeting rooms. Figure 8 shows the researched venues on their elements of overall exhibition space, meeting space, and number of meeting rooms offered when this information was available.

Venue	Exhibition space	# exhibit halls	Meeting Space	# meeting rooms
Expo	330,000 ft^2	5	7,374 ft^2	11
Southtowne	243,000 ft^2	5	15,000 ft^2	9
Evergreen	367,780 ft^2		768 ft^2	
Lane	30,000 ft^2	4	9,860 ft^2	4
Reliant center	465,000 ft^2	2	38,000 ft^2	61
State Fair/expo	143,954 ft^2	6	14,642 ft^2	5
Linn Co.	209,000 ft^2	4		
Spokane Co.	144,000 ft^2	14	3,000 ft^2	
Deschutes	326,736 ft^2	5	18,832 ft^2	10
Tacoma Dome	28,800 ft^2	1		
San Mateo	195,000 ft^2			
Washington Co	30,000 ft^2	3		

Figure 8 – Meeting Room Space of Researched Comparables

In terms of total meeting room space, Expo is sixth out of eight venues who offer separate space which caters to meetings even though it is second in terms of number of rooms offered. This indicates that Expo is doing a lot with the space they have set aside specifically for meeting rooms.

In terms of meeting room accessibility from the show floor, Deschutes has done the best here, having at least three rooms accessible directly from each of their exhibition halls. Expo and the Reliant center are next behind Deschutes with multiple meeting rooms on the same level as the exhibition floor but not directly accessible from the floor. The rest of the venues have varying degrees of meeting space ranging from being somewhat accessible from the floor to not being in the same building as the exhibition floor.

Recommendations

Meeting Space – Meeting space is the only capital improvement recommendation which spans all three time periods. In speaking with event promoters, exhibitors, industry experts and venue selection committees, a reoccurring theme was the lack of easily accessible meeting space from the show floor. While Expo currently offers a significant number of meeting rooms, it is not a leader in the industry in number of rooms, space offered, or ease of access from the expo halls as considered in comparable amenities section. All of these measures will be important as the competition among venues continues to increase. The recommendation we present for meeting space is that Expo needs to consider the layout of its available meeting space. While the current layout, with meeting rooms located mostly in hall D, the separation of exhibition and meeting space will not meet the needs of its next generation of clients.

In the short term we recommend that Expo purchase the materials needed to create meeting spaces within the exhibit halls. This will allow Expo to be competitive in the next generation of shows while still retaining the flexibility of the current layout.

For the medium term time period, exploring alternative access opportunities with the currently available space is recommended.

Long term, meeting space is tied to other capital improvements. As halls A, B, and C are replaced, meeting space can be built in that will easily accommodate the needs of the next generations. These needs are for more meeting space that is accessible directly from the exhibition floor able to be used for private space when needed by the exhibitors or for continuing education rooms for trade shows. Continuing education at trade shows is becoming a significant draw for companies to send multiple representatives to a show. *(Short-term, Medium-term, Long-term)*

Solar Paneling/Wind Farm – Harnessing solar or wind power, or other renewable energy initiatives, is a vital part of the Portland culture, and something that could easily be put in place at Expo in the medium to long-term. While these initiatives can be costly to implement, they also can have significant benefits, especially in the Portland area market. Even implementation can be subsidized. There are companies who will provide the initial capital outlay in return for the tax benefits and the continued payment of normal power bills to them. This will provide solar panels or wind turbines to a facility, allowing them to use the publicity and green image, while not requiring a capital outlay. After a preset time, when the investing company has recouped their money and some interest, the benefits of the panels/turbines would be returned to Expo (see picture below).

The largest of these benefits at this time is a credit given by the power company to businesses with solar panels or wind turbines. For the Portland area, this credit is given by either Portland General Electric (PGE) or Pacific Power. PGE offers clients who meet the qualifications $0.90 - $1.50 per Watt up to $180,000 per year as an incentive for businesses to install solar panels.

Pacific Power offers $1.15 – $1.75 per Watt up to $230,000 per year as an incentive for its business customers to install solar panels. In order to qualify for these power incentives, the business must be preapproved by the power company and must have the solar panels installed by a contractor. In most cases, the contractor hired to install solar panels should be familiar with these incentive programs and be able to assist in securing them.

Another benefit is the possibility of selling energy back to the power company. House Bill 3039 helps develop a pilot program to integrate small-scale solar energy into Oregon's electricity mix using a feed-in tariff. A pilot program such as this could eventually allow homeowners and businesses to sell energy from solar panels to the power companies, which would then be added into the power grid.

If direct investment in solar panels is desired, or if a partner company can not be found, the federal and state tax incentives would allow for the recuperation of approximately 80% of eligible cost over a five year period. The federal investment tax credit allows for 30% of total system cost to be claimed on the business' federal tax return in the year of investment. This credit does not have to be applied for in advance but an IRS form 3468 does need to be filed with the federal tax return.

The Oregon Business Energy Tax Credit (BETC) allows a business to claim 10% of eligible investment costs per year for five years, or to claim 50% of eligible cost in a single year of the total project cost is under $20,000. This credit must be applied for before purchasing equipment and eligible costs may be capped, but if qualified this credit offers a significant incentive for the installation of solar panels. The Oregon BETC is also able to be transferred to a pass-through partner to receive a reduced up-front cost.

Solar panels do not have to be placed on the tops of buildings or parking structures. California has several parking lots with solar arrays which have been built as shades for the parking lot. The array shown below is located in Sunnyvale, CA. This system generates a combined two megawatts of power per hour with approximately 8,000 wafer-based solar panels. These panels are expected to produce power for more than twenty years and the project has an expected pay-back period of 7-10 years. The panels also make use of a GPS tracking system which tracks the sun and increases efficiency by 30%. Parking lot solar panels also give the added benefit of shade in the summer months.

Investing in solar panels also has the added possibility of creating positive press around their instillation and use. There is also the possibility of hosting, or possibly helping create, shows focused on alternative energy sources, which would tie in nicely with the culture of the Pacific Northwest.

Wind energy is a bit more difficult to speculate on without significant research into a specific site with a qualified installation technician. The technician would have to observe and research placement, wind direction, average wind speeds, and other factors before an estimate of cost can be done. Wind power generation is also harder to estimate due to ever changing wind patterns. In the case of Expo, solar panels are the best choice unless significant funding and time is available to research wind power. Any renewable energy additions made in the medium term need to be consistent with Expo's long-term master plan for the site. *(Medium-term)*

Rebuild Halls A, B, and C – The research we have conducted, especially around the economy and the expected recovery from the current recession, indicates that rebuilding halls A, B, and C would be premature in the immediate future. According to the Oregon Economist, Oregon is expected to begin recovery in the next two years. The economy and job rates are not expected to recover to pre-recessionary levels until 2014. This would place the planning of the rebuild in the medium term with building completion somewhere in the late-medium term to the long-term time horizon.

When considering the replacement of halls A, B, and C, we tried to keep in mind the current Urban Design Concept Plan shown in Appendix 3. The concept is very similar in terms of replacing all three halls with a single two-story building. Our recommended configuration, however, takes into consideration the meeting room needs of the next generation trade shows and has these added to the north wall of the new hall C. There would be a total of fourteen new meeting rooms added, which is approximately 10,700 sq ft of new meeting space. The number of meeting rooms is not as significant at the ability to access these meeting rooms directly from the show floor. Figure 9 shows a crude rendering of what this may look like, although it does not show the second story with ballroom. This configuration would change the current building footprint, increasing where hall C currently stands and decreasing it where halls A and B currently stand. This configuration would also change the Upper parking lot 1 and the Force Avenue lot some, but overall the change to the number of parking spaces should not be significant.

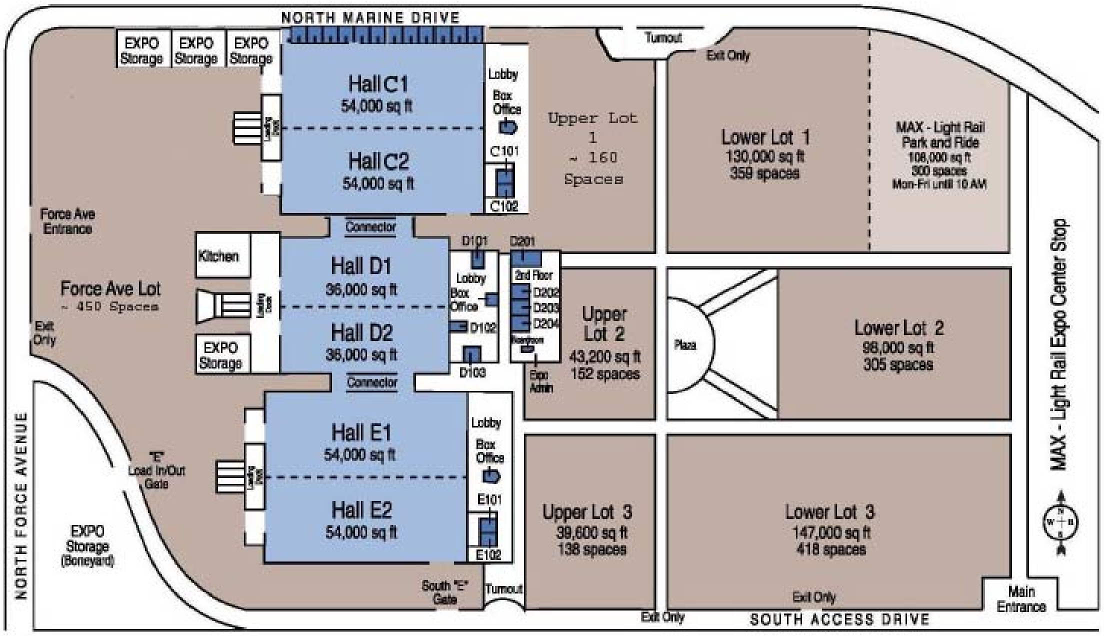


Figure 9 – Suggested design of Expo property

With the new rooms and their accessibility from the show floor, Expo would be comparable to the Deschutes Fair and Expo Center in terms of square footage (Expo 25 rooms and 18,000 sq ft, Deschutes 10 rooms and 18,800 sq ft) and surpass them in terms of rooms available. Replacing the current buildings with this layout, Expo would raise itself to a solid third position in all of the venues we researched in terms of exhibition and meeting space, and would significantly diversify its ability to cater to trade shows and convention type events as it expands clientele in the future. The ballroom on the second floor would also add greatly to Expo's ability to host more formal events such as wedding receptions, cultural dances, and banquets. *(Long-term)*

Parking Structure – In the Urban Design Concept the current parking space is converted to parking structures with other event space below them. Our group does not see an economic or logistic rationale for this change in either the short or medium term. At present, a parking structure can range from $15,000 - $30,000 per space. To add structured parking at this cost (approximately 3,000 spaces) would be about $45 million dollars. Using thirty year debt, this would be adding approximately $1.5 million to the current $1million annual debt service, meaning that Expo would need to add at least three shows which bring in revenues equal to that of its biggest current show ($500,000 in revenue per show) in order to cover the added debt burden of a single parking structure. With overflow parking necessary approximately ten days per year, it seems too great a risk to add a single parking structure in the short or medium term, let alone the four structures the current Urban Design Concept calls for.

We do recommend that parking structures be considered in a master plan process for the long-term. We also recommend a continual assessment of the current pay-for-parking situation.

Some informal patron interviews noted an aversion to the high cost of parking when added to the cost of attendance. There is a possibility that a parking structure could be both warranted and cost effective sooner if the number of attendees can be positively affected by a decrease in the cost of parking. (*Long term)*

Outdoor Amphitheater or Roller Rink – We believe that Expo should consider in the medium and long terms other ideas for minimizing the seasonality of the industry. An amphitheater or a roller rink which can be used for roller derbies and opened to the general public as well are a couple ideas which could diversify the attractions and be a source of additional revenue. Using past experiences, Expo should be able to traverse the political waters necessary to make either of these ideas viable opportunities for expanding the functionality of the property and decreasing the seasonality impact of the industry on Expo. *(Long-term)*

Financials

Expo has had a number of years of operational financial success. As an enterprise fund, profits are held in reserve for future times when revenues are insufficient to cover costs, such as in the current economy. During the 1990s and without a debt service, Expo did remarkably well financially and was able to increase the fund balance. It is significant, and rare within the industry, that Expo often covers their debt service of more than $1M and their nearly $0.5M per year MERC/Metro support costs strictly from operations.

Revenue Sources

According to the final budget for FY08, the most recent fiscal year for which we have final financial information, Expo's revenue primarily comes from three sources: food and beverage services ($2.0M, 34.4%), facility rental fees ($1.6M, 26.8%) and parking fees ($1.5M, 25.8%). The balance of revenues comes from support services such as ticket services (5.1%), operations (3.8%), special services (1.8%), events (1.5%), and other (0.7%). This emphasis on attendance revenue is to be expected, but the areas of lesser revenue also expose opportunities to diversify Expo's revenue sources, including advertising and taxes.

It is wise to leverage strengths for as long as is possible. Expo's food and beverage margin of ~26% is tremendous compared to restaurant industry net profit margins of 8.3%. In time, however, we expect profits of this size to be threatened by rising costs of suppliers or patrons having less discretionary money to spend on concessions.

Paid parking was not a practice found at many the properties we researched. While charging for parking is not necessarily right or wrong, it can be a differentiator that removes Expo from consideration by event promoters who naturally would prefer to minimize costs or obstacles for patrons. It can also be a deterrent for consumers in times of recession, such as the current economy. In our interview with Jerry Heater, organizer of the Northwest Fire and Rescue Exposition, he agreed stating that paid parking was his biggest challenge at Expo.

These two items, along with facility rental fees should be given annual consideration. Expo should take the time to benchmark their fees and charges against similar facilities in the Pacific Northwest. In the quest for additional revenue, raising prices arbitrarily can alienate customers and drive shows to alternative locations.

<u>Tax Revenues</u>

Unlike OCC and PCPA, Expo receives no public subsidy. OCC receives property taxes, Multnomah County transient lodging taxes and auto taxes, and also receives Metro excise tax funds through Metro Tourism Opportunity and Competitiveness Account ($692K in FY10). PCPA receives Multnomah County transient lodging taxes and auto taxes, and intergovernmental revenue from the City of Portland to support the operations (The PCPA is owned by the city but is managed by Metro). According to Metro Adopted FY09-10 Budget, PCPA and Oregon Zoo are exempt from paying Metro excise tax, while OCC receives Metro excise tax revenues for marketing through Metro Tourism Opportunity and Competitiveness Account ($692K in FY10).

As a public agency MERC receives substantial public funds, yet Expo receives no public support that can be used to cover the existing bond debt and free up cash flows from operations for investments in expanding the facilities and services available at the Expo location. While being challenged to finance debt payments alone can be difficult, successfully doing so can be viewed as a strength and even provides an opportunity to add public funding when implementing expansion plans.

The Debt

One of Expo's largest expenses is its annual debt service. In FY08, Expo's food and beverage costs total $1.5M, personal services combine to an annual cost of $1.4M, and approximately $1.1M per year is committed to the existing bond debt until December 2024 if held to full term.

Expo does exceptionally well controlling personnel costs which can commonly be 50-75% of a public entity's cost structure. Compared to OCC and PCPA, Expo operates with significantly fewer employees. Expo also has not increased its number of FTEs since FY05, holding steady while OCC, PCPA and MERC admin have increased their staffing nearly every year. Controlling these labor costs has kept revenues available for Expo's debt service, MERC/Metro support and the reserve fund.

Of the comparable facilities we researched, all either carry debt service that they are not expected to cover through operations, or have operating deficits covered by public subsidy.

Facility	Public Funding Source
Deschutes Co. Fairgrounds and Expo	Deschutes County General and Park Acquisition Funds
Evergreen State Fairgrounds	Snohomish County General Fund
Lane Events Center	Lane County General Fund, Transient Lodging Tax
Linn County Fair and Expo	Linn County General Fund, Oregon State Lottery
Oregon Convention Center	Transient Lodging Tax, VDI, Metro Excise Tax
Oregon State Fair and Expo	Oregon State Lottery
San Mateo County Event Center	San Mateo County General Fund
South Towne Expo	Salt Lake County General Fund
Spokane County Fair and Expo	Spokane County General Fund
Tacoma Dome	City of Tacoma Hotel Transient Tax
Washington County Fair Complex	Washington County General Fund

Even larger, commercially run centers such as the Rose Quarter and Reliant Park in Houston, Texas receive public assistance. Both complexes are publicly owned in full or in part. Additionally, the Rose Quarter's Memorial Coliseum has its CIP paid by the City of Portland, and Reliant Park requested funds from Harris County (TX) to cover property insurance premium, and requested an additional $13.9M from Harris County for CIP projects in FY09.

The requirement that Expo cover its public debt out of its own operating performance is rare. We find this to be true, not only from our secondary research, but also from our primary research. In an interview with Barry Straffacci, Vice President of Special Projects at Global Spectrum he said that being required to cover debt in the exposition and convention industry is extremely rare. He categorized Expo's situation as "an anomaly".

Three properties in our research - the Orange County Fair and Event Complex, the Los Angeles County's Fairplex, and the Puyallup Fair and Event Center - have similar self-sustaining financial performance and constraints. Comparatively, however, Expo is a very small facility in a small market:

Facility	Size	Revenue	Market Size
Los Angeles County Fairplex	543 acres, 18 buildings	$71.6M (2008)	Market 12.8M
Orange County Fair and Event Complex	150 acres, 14 buildings	$ n/a	Market 12.8M
Puyallup (WA) Fair and Event Center	169 acres, 11 buildings	$ n/a	Market 3.3M
Expo	52 acres, 5 buildings	$6.0M (2008)	Market 2.2M

What lends to the success of the other three in this group is not necessarily the scale of the market, property or staff size. It is the variety of amenities available on the property and offerings that attract diverse audiences throughout the year. Each of the facilities has an outdoor performance stage that draws an entertainment crowd from a variety of performing arts. Each of the facilities also has an event element and a fairground element to it with areas dedicated to the farming and/or ranching community both present and past. Expo has neither of these. In fact, Expo is not designed with the same function and purpose in mind. The capital improvements that were suggested in a previous section are intended to ignite the long-term planning process with ideas.

The Reserve

As an enterprise fund, annual profits are held in reserve for Expo to use for property improvements, investments, or to fund deficit years. As of the end of FY08, Expo's reserve was $6.0M, but after a challenging FY09 the reserve balance was $5.7M (as of Q3 close). With the current recession the FY10 budget was adopted as another deficit year that will bring the reserve balance to $5.4M.

A closer look at the reserve fund shows that it is not all undedicated funds sitting in a savings account. In recent years MERC has been identifying uses for these reserve funds and establishing policy that protects the physical assets and operating viability of Expo. A key policy establishes a “Strategic Goal” – essentially a requirement that Expo retain six months of operating expenses and a full year of debt service in reserve for emergency times. In FY10, ”Strategic Goal” is budgeted at $3.4M. A second key designation of funds in the reserve is $1.3M for “Phase III”. “Phase III” is the intended replacement of the original Halls A, B, C and related support space (Phase I was Hall E and Phase II was Hall D). These funds will certainly be used as Expo moves forward with reconstruction. After considering the remaining designation, the FY10 budget states that $590K is available for use.

The $590K that is undesignated is far different than the $5.4M starting figure of the reserve fund. It is also represents a starting point for investing in the short-term opportunities listed in this report.

Moving Forward

Implementation of any or all of the recommendations made in this report are certainly dependent on existing financial commitments, master plans, current and future operating performance, bonding capacity, and the political climate. However, the FY10 budget suggests that at least $590K is available. Investing 20-50% of that in short-term impact items is reasonable, particularly if they are activities that build revenue, market share, or goodwill.

While Expo prides itself on operating as a business, one that has been profitable for many years, it cannot deny that itself, MERC and Metro are public entities. As such, Expo is subject to the same political changes, competing priorities and policies that occur when elected and appointed officials change offices. What fails or is ignored under one administration can be achieved in other administrations. Ultimately the Metro family of companies is subject to the taxpayer. The taxpayer should know about the financial success of Expo and should celebrate the profitable performance of one of its own public facilities.

Being subject to the taxpayer, any master planning process needs to include a public input process, especially if public funds of any type are sought for funding the expansion of the facilities. A public process, while time consuming, can reap huge benefits in terms of public support and goodwill. It can also help avoid pitfalls and bad decisions that are costly. It can be the key to identifying exactly what facilities the Portland community needs, building the importance of Expo in the minds of MERC/Metro commissioners and the public, and finding the resources to achieve new horizons.

Recommendations

Sell Advertising Space – Generate additional revenue by allowing companies to advertise on the exterior and interior of the facilities, on any exterior sign board that may be installed, and in promotional materials. Even the rooftop is viewable from planes flying into or out of PDX on a clear day. *(Short-term)*

Begin a Public Master Planning Process – Start promptly on an open process that involves all stakeholders in the Expo property. Full implementation is likely to last ten years or more, but short and medium term actions might be identified that Expo can benefit from. *(Short-term)*

Appendices

Appendix 1 - Resources

2009-2010 Meeting Planner Intention Survey

C H Johnson report

CEIR Index Report

CEIR white paper: "Looking past the Recession- Exhibition Strategies for the Interim"

Center for Exhibition Industry Research website - http://www.ceir.org/

Deschutes County (OR) Budget FY09, pg 217

Digital + Exhibit Marketing Insights 2009, CEIR and George P. Johnson Experience Marketing, May 2009.

Eric Hovee report

Google Maps - Portland fairgrounds

Harris County (TX) Capital Improvement Program FY09, pg 448-493

Harris County (TX) Sports and Convention Corp FY10 Budget Request

Lane County (OR) Budget FY10, pg 345-358

Linn County (OR) Annual Report FY08 , pg 93, 97

Los Angeles County (CA) Fair Association 2008 Annual Report

Los Angeles County (CA) Fairplex website - http://www.fairplex.com/fp/

MERC (OR) Proposed Budget FY10, pg 21-23, 30

MERC Meeting Packet 11/4/2009

MERC website - http://www.merc-facilities.org/

Metro Adopted Budget FY10

Metro website - http://www.oregonmetro.gov/

"One More Rough Quarterly Report" by Marjorie Galas, *Tradeshow Week,* 11/2/09

Orange County (CA) Fair and Event Center website - http://www.ocfair.com/ocf/

Orange County (CA) Fair and Exposition Center Master Plan, 2003

Oregon State Economist, Oregon Economic and Revenue Forecast. September 2009. Volume XXIX, No. 3

Oregon State Expo Blue Ribbon Report, 2009, pg 3

PCMA Convene Magazine, July 2009

City of Portland (OR) FY10 Budget Vol 2 – Parks and Rec Capital, pg 30

Professional Convention Management Association website – http://www.pcma.org/

"Promising Outlook for Consumer Shows in 2010" by Joalien Johnson, *Tradeshow Week,* 10/12/09

Puyallup (WA) Fair and Events Center website - http://www.thefair.com/

Salt Lake County (UT) Budget FY09, pg 3, 27-28

San Mateo County (CA) Agreement for Management of the San Mateo Event Center, 2008

Snohomish County (WA) Recommended Budget FY10, pg 8

Spokane County (WA) Budget FY09, pg 84

City of Tacoma (WA) Biennium budget FY09-10, pg 44, 58-59

Tradeshow Week website – http://www.tradeshowweek.com/

Society of Independent show organizers SISO.org

US Census Bureau - http://www.census.gov/popest/metro/CBSA-est2008-annual.html

Washington County (OR) Budget FY10, pg 184-185

Wikipedia - http://en.wikipedia.org/wiki/Reliant_Park

Yahoo! Finance - http://biz.yahoo.com/ic/712.html

Appendix 2 – Interview Notes

1) Douglas Ducate, President/CEO of CEIR (10/20/2009)

Mr. Ducate, thank you for agreeing to meet with me and talk about the trends in the industry. You have a large set of presentations about the future of the Convention/Expo Industry. Can you give me some background on where you see the industry heading?

Sure, but let's first start with the history of the industry:
True conventions in the US are relatively young at 40 years old
Original setup can be drawn back to Old Testament markets
In 1851 at the Crystal Palace in London, Prince Albert setup an exhibition of British equipment to spark business
It was the original Stimulus plan
Additionally, in post WWII Europe, part of the rebuilding plan was to increase show to facilitate rebuilding the economies
This was used as a model in the US
Greatly benefited by:

- Commercialization of air travel
- Expansion of highway system
- Reduced travel time for a 2-3 day meeting

Now there are 10,000 B2B shows w/ 50% of shows in 16 cities

- $80 Billion industry
- 15,000 B2C (Consumer) shows

First Generation Locations - Boxes w/ Docks
Second Generation Locations - Pretty Boxes
Third Generation Locations - Looks more like hotel
Fourth Generation Locations - Food Service/Restaurants

Public Appeal
Integration into community
1986 – 2000 Industry showed a 7.3% CAGR
Dot Com phenomenon
Exhibitors used Convention/Expo to get in touch w/ untapped markets
Exhibitors used Expo/Convention to find a market place or industry to target
Y2K Distraction caused slowing
March 2001 Recession started
August 2001 Slowed travel
Falloff in 2001 erroneously blamed on terrorist attacks on 9/11/01
Q4 2001 – Q1 2003 – First ever negative grow for Convention/Expo industry in US

Showed a potential cyclical nature to the industry
After 6 quarters of negative growth, 3 out of the 4 CEIR metrics returned to pre 2000 levels
CEIR Measures Convention Only and put together these are called the CEIR Index

Metrics are:
Net SQFT
Companies in Industry
Attendance
Revenue

Is history repeating itself now?

Q3 2009 is the sixth consecutive negative growth quarter in the industry
No recovery seen until at least late 2010
Expos mirror the industries they serve
Short term recession don't affect annual shows
If the show arrives once a year, a 2 quarter downturn has no affect, assuming the show schedule does not fall in those quarters.

Do Fortune 500 companies carry/support shows?

No, the small-medium shows that purchase a majority of the exhibitor space does.
However, the larger companies are required to both attract the small-medium exhibitors and to support to upfront show development costs.
Trends show movement toward smaller "boutique" venues and events
Las Vegas and Orlando are less attractive with recent economic trends towards costs savings and frugality
Perception: It is difficult to justify going to Las Vegas for any show when laying off staff
Locations such as Atlanta, Chicago, or Dallas are capturing more shows with their proximity to business and perception as less exotic locations.
Healthcare industry shows
As an example, the healthcare industry does not put on a large show for doctors of all specialties. They put on shows for individual specialties, thus allowing cardiologist to talk to each other in a higher concentration.
This translates into the need for smaller "boutique" venues where groups of lesser size can coalesce and share ideas/products.

This is great information and background. What do you see as the next steps for the Expo industry? How do most Expo venues you study or work with seem to be coping with these downturns?

Technology will always attract more shows
I worked on the production of the Smithsonian show at Portland Expo
The design for the show lent itself well to the Portland Expo

The requirement for a 30 day load-in and the costs associated made Expo very attractive relative to OCC
These types of traveling exhibits are a great target for Expo

What about consumer shows? How have they been affected?

Consumer Shows and Consumer Good Shows (both B2B and B2C)
Products are finished goods
House wares/Hardware as an example
Consumer Confidence as relative to Economic Rebound will directly affect the profitability of these shows
Building and Construction Industry is a leading indicator for most of these shows.

Actually, we have also found that the lumber industry is an even more leading indicator. Especially in Oregon, the larger companies like Weyerhaeuser and Georgia Pacific are typically the first to show signs of improvement when the Home Building and Construction firms sense a rebound.

Yes and the IT industry have also shown a slowing in capital expenditure, thus slowing the need for IT shows.
The Airline Industry with it's slow down and cutbacks has also impacted the recent Convention/Expo revenues
Additionally, the economic downturn has impacted public perception and the new threat of fighting public perception against Uncle Sam (US Government)
Northern Trust as an example
Perceived to be overspending in the Banking industry on frivolous activities
Forced to drop PGA Event and Meeting at a Ritz Carlton
The Biggest Challenge in my opinion is attracting more young professionals to shows and having them leave with a positive attitude
Local sites for meeting other young professionals
i.e. Chicago restaurants
A last minute Twitter posting about an event Mixer showed better results than a printed/emailed flyer months in advance

Thank you for your time.

2) **Barry Straffacci, Vice President of Special Projects at Global Spectrum (10/11/2009)**

Thank you for agreeing to meet with me, we value your insights and experience. Chris Bailey spoke very highly of you and your insights into the industry. I would like to start by talking about the present state of affairs and then about where you see the industry heading.

Sure, Chris and I go way back and I am glad to help.

Expo as facility type evolved over consumer shows at Convention locations to secure dates
Convention centers used to use consumer shows to fill gaps in the schedule, leaving the consumer shows to wonder if they would get in the game.
Cities like Salt Lake and Portland developed facilities for local events
In 1990's due to VC and outside investors, consumer shows grew and so did the number of Expo/Fairground locations
Additionally, existing Expo/Fairground locations began capital improvements to capture more of this market. (i.e. Portland Expo w/ Smithsonian show)
Convention space also expanded in 1990's with the growth of convention style shows
This expansion of locations meant that consumer shows had more space at conventions and/or expos
The gap-fill strategy was no longer needed and consumer shows began securing regular dates on venues calendars
However, growth began to slow for consumer shows
Economic meltdown has increased the impact of the slowing
Global Spectrum current manages 86 buildings in total with about 35 building having similar characteristics to Expo locations
Shows are starting to come back slowly but with a more fiscally conservative approach. Where there were three halls of 300k sqft before, now there is only one hall with 100k sqft or shows are consolidating.
The restoration of the industry will take at least 3 more years, if it rebounds at all.
VC's and outside investors have left the industry as their returns slowed
People buying space dependent upon sales to justify
An exhibitor who used to purchase 30x30 is now down to 10x10 since his sales have dropped

Who is going to these shows in the future?

Expos need to:

- Be aggressive with their pricing
- Begin to get more creative with their marketing
- Start facilitating the production of shows/events
- European tradition (i.e. Miami "Art Dazzle" show)

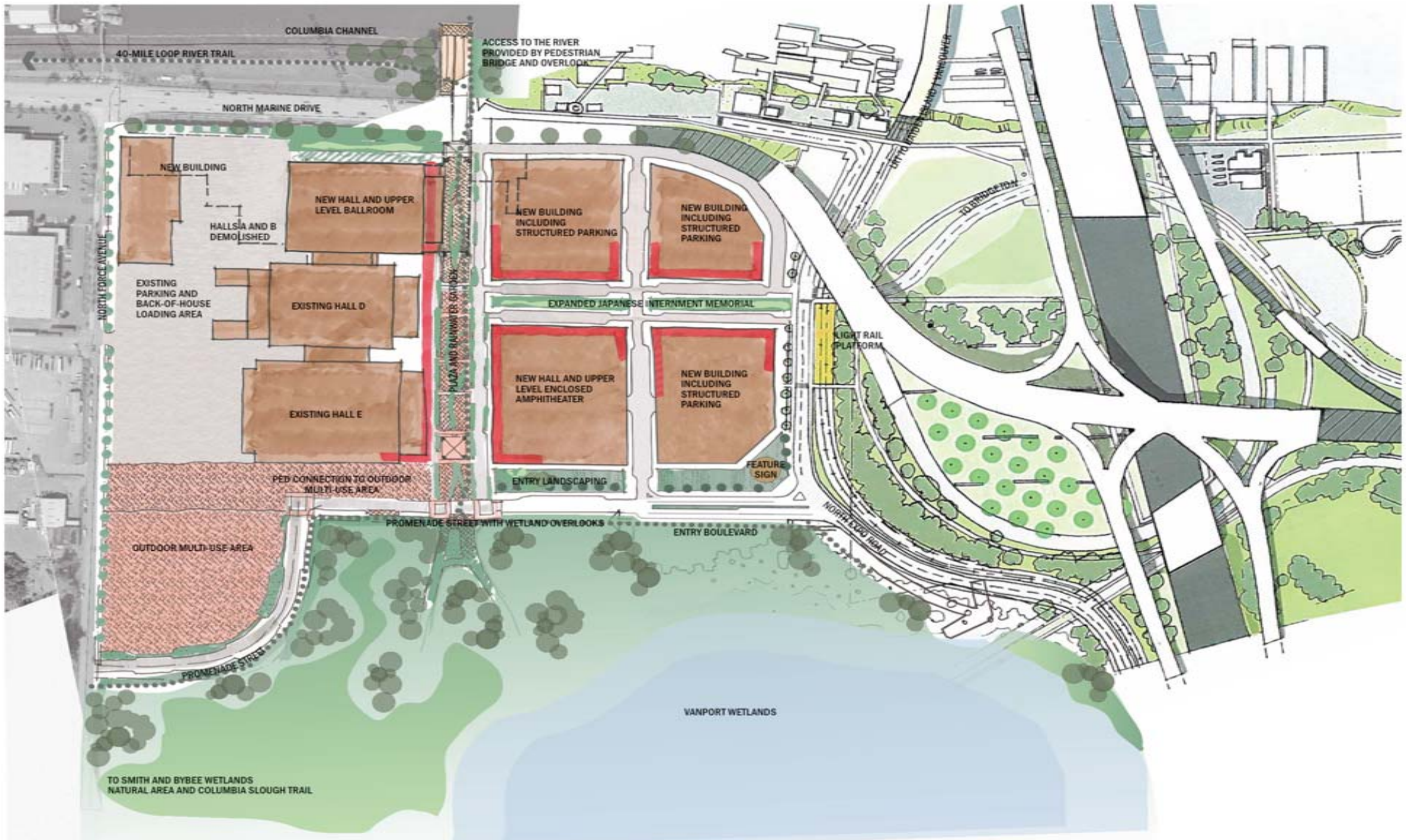
Is the timing right for this type of shift?

Potentially, but could be a year early

Co-Promotion = Assuming some risk for a greater upside
Potentially left in lurch with empty hall and lost promotion costs if all goes bad
Risk Rent if promoter doesn't make profit
Facility Outside of Atlanta that was purchased by a show organizer
12-14 weekends of Antique show
Residual weekends are sold to other consumer shows
For the large Arenas to remain solvent, they require 150-160 events annually
NBA, NHL, Concerts, etc.
Difficult to calculate similar number for Expo locations
Variable Overhead
Variable Revenue Streams
Variable Show Types/Characteristics
Debt Service is extremely rare in Expo industry
Most locations, Expo and Convention, do not have to pay debt service.
Portland is an anomaly
Per capita spending on food and beverage is approximately 2 times higher at Portland than the industry average, based upon potentially stale figures.
Could be due to rain or culture of "beer-drinking" town.
Some venues are starting to purchase their own decorations
Adding Pipe and Drape into Rent costs for value-added
Providing Package Deals
Finding additional revenues streams is critical to keep up with the changing landscape of the industry
Example is Phone Lines
In 1980-1990's, phone lines contributed about $300k in revenue, but now with the advent of the internet, cell phones, remote credit card machines, etc. the phone lines are no longer needed and are now only contributing an infinitesimal fraction of revenues.

Thank you for your insights and time

Appendix 3 – Urban Design Concept Plan



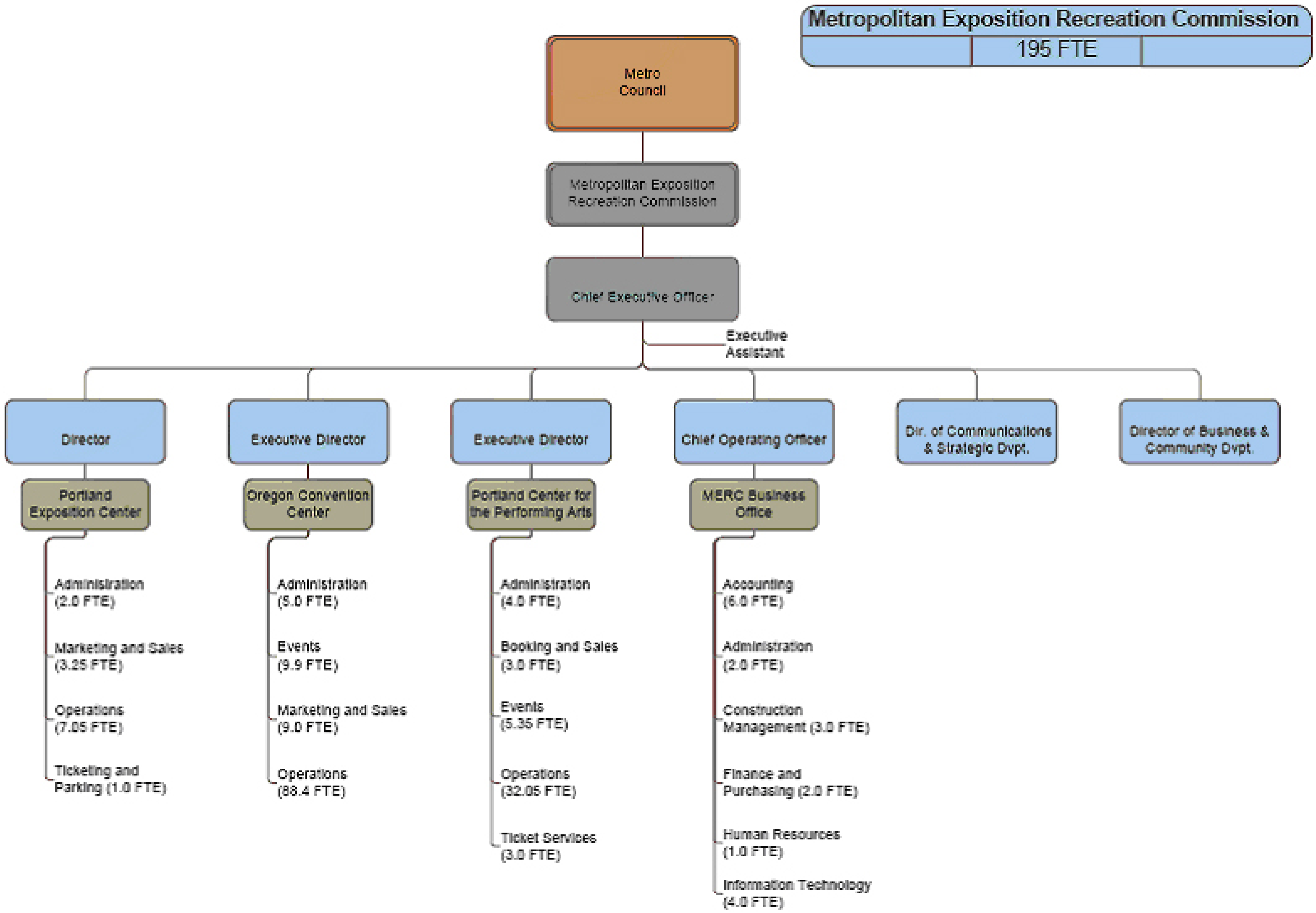
SERA

MERC EXPO URBAN DESIGN CONCEPT PLAN

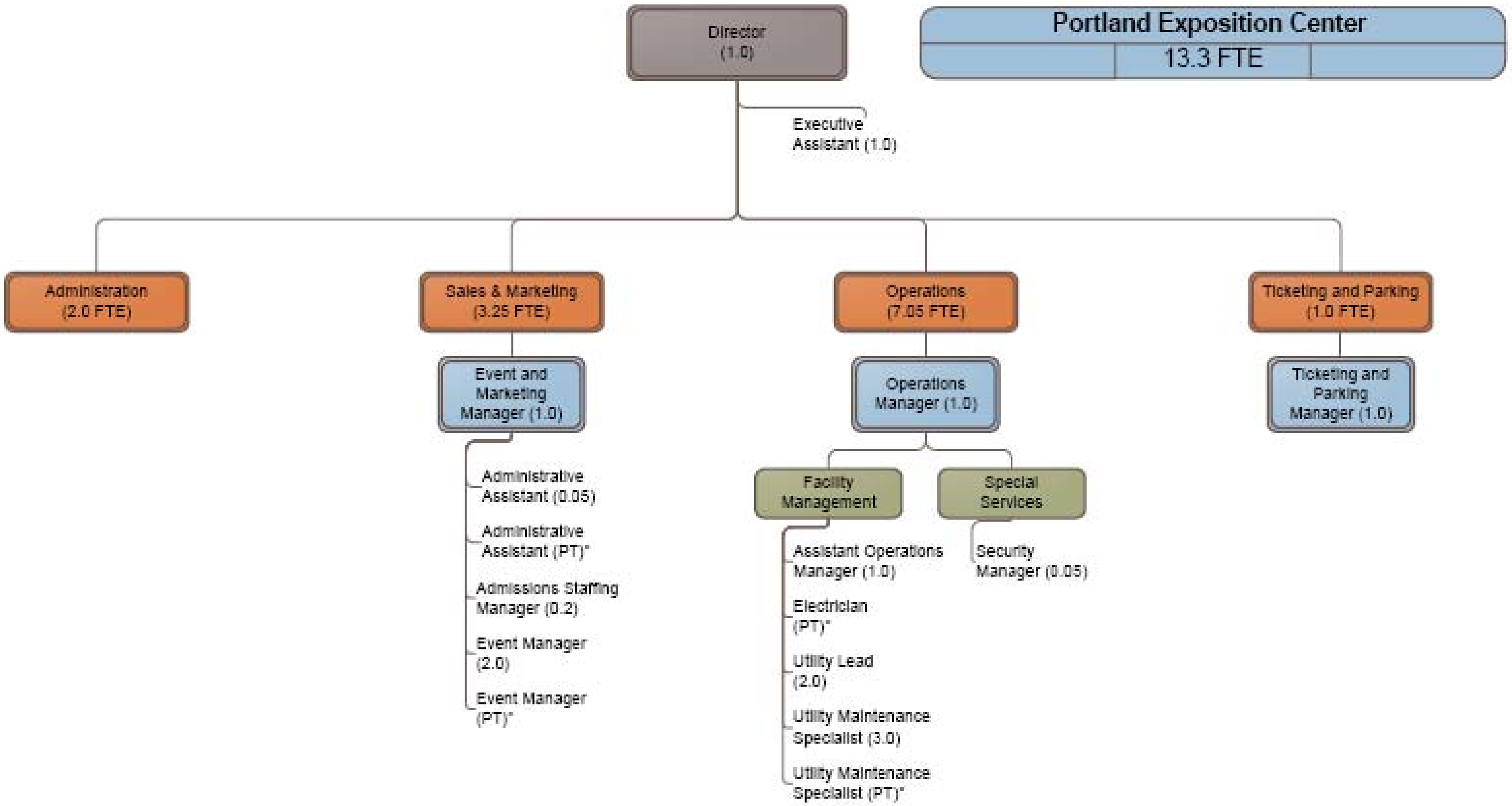
PROMENADE STREET ALIGNMENT: Option 5

30 July 2009

Appendix 4 – MERC Organizational Structure



Appendix 5 – Portland Expo Center Organizational Structure



Appendix 6 - Venue Research

Clark County Event Center at the Fairgrounds

17402 NE Delfel Road
Ridgefield, WA 98642
www.clarkcoeventcenter.com

Setting

Facility Description

170 acres

Parking

7500 spots

 # Events per year, Attendance per year

Event mix

What is your ownership model? (State, county, other?)

Clark County owns, contracted with Fairgrounds Site Management Group for management

What is your funding model? Do you carry debt?

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

Deschutes County Fairgrounds

3800 SW Airport Way
Redmond, OR 97756
www.expo.deschutes.org

Roxia Todoroff
roxia-todoroff@co.deschutes.or.us
(541) 548-2711

Setting

Located in Redmond, Oregon off highway 97, easy access, close to town. Located at the hub of the three counties that make up Central Oregon. (Deschutes, Crook, Jefferson) Fairgrounds setting with five barns for different types of animals, two outdoor arenas in addition to buildings noted above. Airport and RV parking nearby. Views of numerous mountains. Designed in a circle never more than 300 yards from any offering when in the center. Large water feature and manicured grounds.

Facility Description

132 Acres. High Desert building - 14000 sq ft 84' x 151' is air conditioned , hard wood, sound system, restrooms, rollup doors. Hooker Creek Building - 279,000 sq ft under one roof arena, concert seating, trade show. Wired for sound, heated, beams fly 75,000 pounds, concessions, locker room with showers. North Sister building - 9416 sq ft, three break out rooms, power and data every twenty sq ft, roll up doors, concrete floor. Middle Sister - 14,904 sq ft with four break out rooms, power in the floor, roll up door, carpet, sound system, restrooms, connected to South Sister building by hallway. South Sister has 9416 sq ft, three break out rooms, power in floor, climate controlled, sound, restrooms, rollup doors, tile.

Parking

4000 parking spaces, free parking

 # Events per year, Attendance per year

392 events in 2009

Event mix

Events range from auctions, auto show, banquests, BMX, circus, conferences, convention, entertainment, equestrian shows, expos,fair, ZZAfundraisers, livestock, meetings, monstertrucks, pets, quinceaneras, recreation, rodeo, seminar, sporting and trade shows, wedding

---

What is your ownership model? (State, county, other?)

Owned by Deschutes County, goverened by Director, Assistant Director, Operations manager, Sales Coordinator and a 5 member fair board.

What is your funding model? Do you carry debt?

They do carry debt for the new construction of their RV park, the covering of an outdoor equestrian arena, and the purchase of horse stalls to fill the barn complex to capacity. A complete analysis and consesrvative projections of revenues were in place prior to the debt being taken with budget in place to ensure the debt is covered with revenues. Did not indicate amount of debt current. They are government owned so they do receive tax support.

What metrics or information do you use to manage your business?

number of events, use of each facility, and # of attendees.

How do you source your events and how many do you host in a typical year?

They market to associations, corportations, education, foundations, governments, nonprofits, religious, social.

What, if any, special services do you offer to promoters/exhibitors?

They offer customized set up of their events. Full inventory of event equipment rental and a professional staff to accommodate all event requirements. Those services they do not provide they offer assistance in location of outsource companies. In addition to on site services they also work closely with the area Chambers of Commerce, CVBs and Visitor Associations to provide all areas services to event promoters and meeting planners.

What characteristics of your facility do you believe contribute heavily to your success/failure?

Physical location contributes to our success. Our facility was strategically placed at the heart of Central Oregon. Local events draw from a tri-county geographic; with neighboring communities within a twenty minute drive. Regional and national events want to be located in beautiful Central Oregon because of the diversity of four-season recreation. The diversity of what our facility can accommodate also contributes to our success. Our Expo is a 132 acre complex with a conference center, event center livestock and equestrian complex, RV park and over 75 acres of manicured lawns. Slogan is "we really can do it all"

What amenities are offered on or around your facility?

Have catering and concession at all events. On site full service RV park. Hotels restaurants, and golf adjacent to the facility. Limitless recreation in close proximity.

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

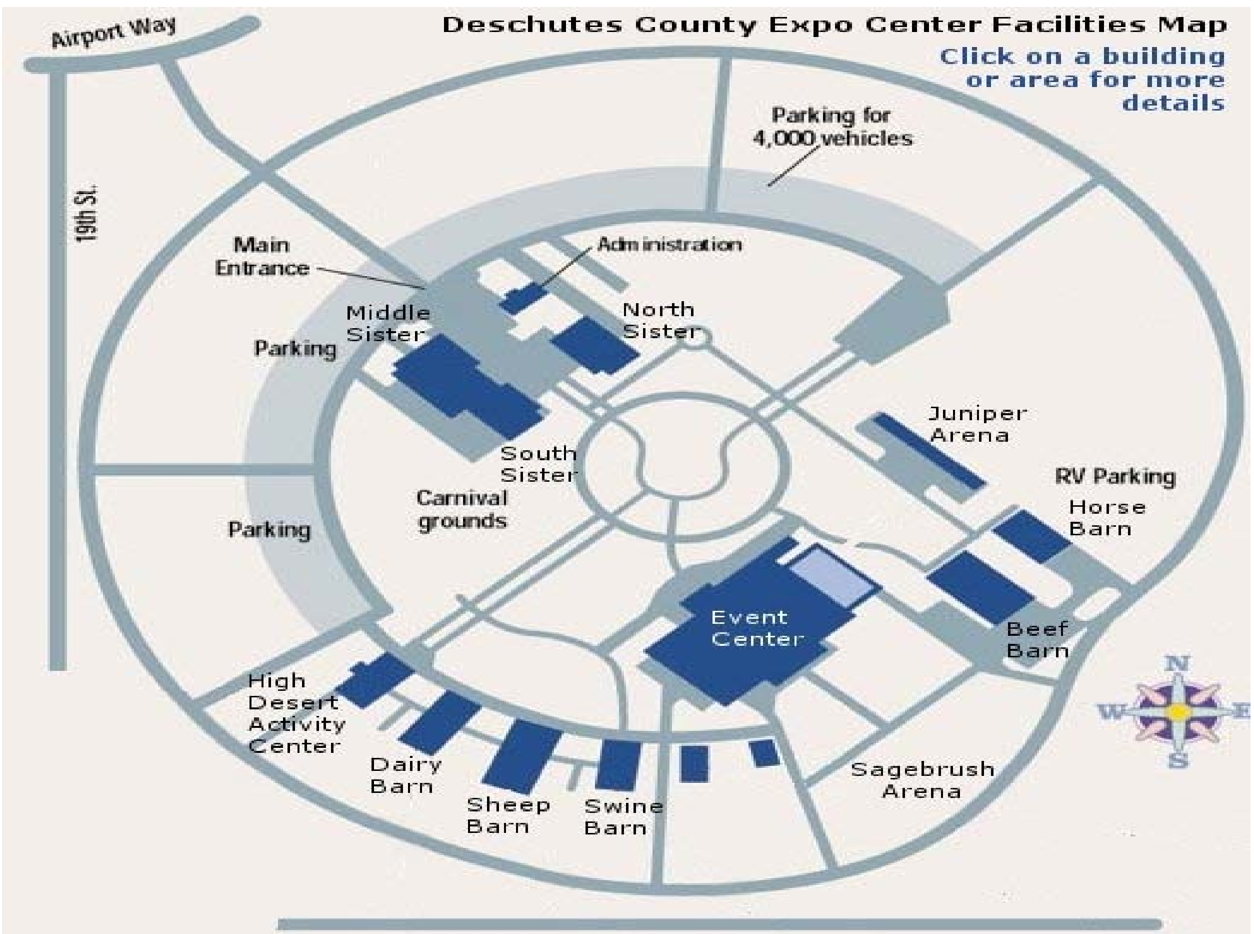
There are fewer numbers attending and they are spending few dollars while at the events. There are fewer nonprofit and fundraising events due to fewer people attending. The number one challenge is certainly the poor economy. Promoters are faced with fewer Vendors/Exhibitors that can sponsor or display product because of tighter budgets. Consumers have fewer dollars to spend and are hanging on to what money they have.

How is your facility adapting to these changes?

We are always researching opportunities that will reach audiences of targeted and qualified convention, conference, meeting, events, festival planners, as well as promoters of equestrian and livestock shows. We stay flexible to assess changes within our industry and providers to adjust our sales and marketing plans if necessary.

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

No expansion to the facility is being planned. They did just complete, within the last year, upgrades to the Conference Center as well as the completion of the new Expo RV park.



Evergreen State Fairgrounds

14405 179th Avenue SE
Monroe, WA 98272
www.evergreenfair.org

Mark Campbell
Mark.Campbell@snoco.org
(360) 805-6700

Setting

Within Urban growth area, but are in unincorporated Shonomish county right on the edge of Monroe. Bus service (community transit) and sound transit, intersection of HWY 2 and HWY 522.

Facility Description

185 Acres. 367,780 sq ft of event space along with 768 sq ft of meeting-only space spread over 55 buildings.

Parking

~6000 spots - negotiable pricing for parking, small meetings no charge.

 # Events per year, Attendance per year

~1080 (~450 open to public)

Event mix

The Evergreen State Fairgrounds are booked year-round for many activities, including the Evergreen RV Show, bull riding events, training seminars, The Evergreen Sportsmen Show, car sales, horse shows, meetings, practices and numerous small animal shows. The Fairgrounds are also busy hosting 4H events and programs. On our grounds you will find an outstanding equestrian park, motor sports race track, buildings and barns that are available to rent year-round (excluding Fair time, the last few weeks of August, early September). Wrestling tourny this winter, small kids/high school.

What is your ownership model? (State, county, other?)

Owned by Snohomish County; a division of County Parks. Work closely with City of Monroe who provides water/sewer, police. Sheriff on interior, fire through district.

What is your funding model? Do you carry debt?

Quasi-enterprise fund within the County (held within the general fund) they are expected to cover operational expenses. Anything above OpEx is rolled back to facility for capex. Also meet County expenses (for phones, computers, etc.). Carry small amout of debt from County bond (from purchase of building and 1 acre adjacent to facility).

What metrics or information do you use to manage your business?

Revenue - 2 lines of business: 1st from major fair they do (71% of revenues) and the rest is from event rentals. Alsu use rental days, # people for measures.

How do you source your events and how many do you host in a typical year?

Fair is set. 90% is returning repetitive events. Also use website, list on associations for event places, tourism bureau. Adding sales kit and staff time to find new markets that might fit well.

What, if any, special services do you offer to promoters/exhibitors?

Mostly promoter focused, but will work with anyone who is trying to put together a show. Logistical expertise, and will do some marketing (press releases, partnerships). The calander is hardest thing - trying to find dates for the shows that want to get added in.

What characteristics of your facility do you believe contribute heavily to your success/failure?

Location - large population base. The equestrian area is hugely used and very popular. Large auto race track can go both ways: high profitability for events, but sits in middle of grounds and can deter other events due to noise (takes ~20% of space but only 5% of revenue so rev/sq ft is low). Looking to modify configuration to increase rev/sq ft.

What amenities are offered on or around your facility?

RV parking - have 270 spots. Not a lot of hotels in City of Monroe, but looking to add. The region is close to hiking and skiing. There are restaurants close by. WiFi is available throughout key areas for free. Showers.

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

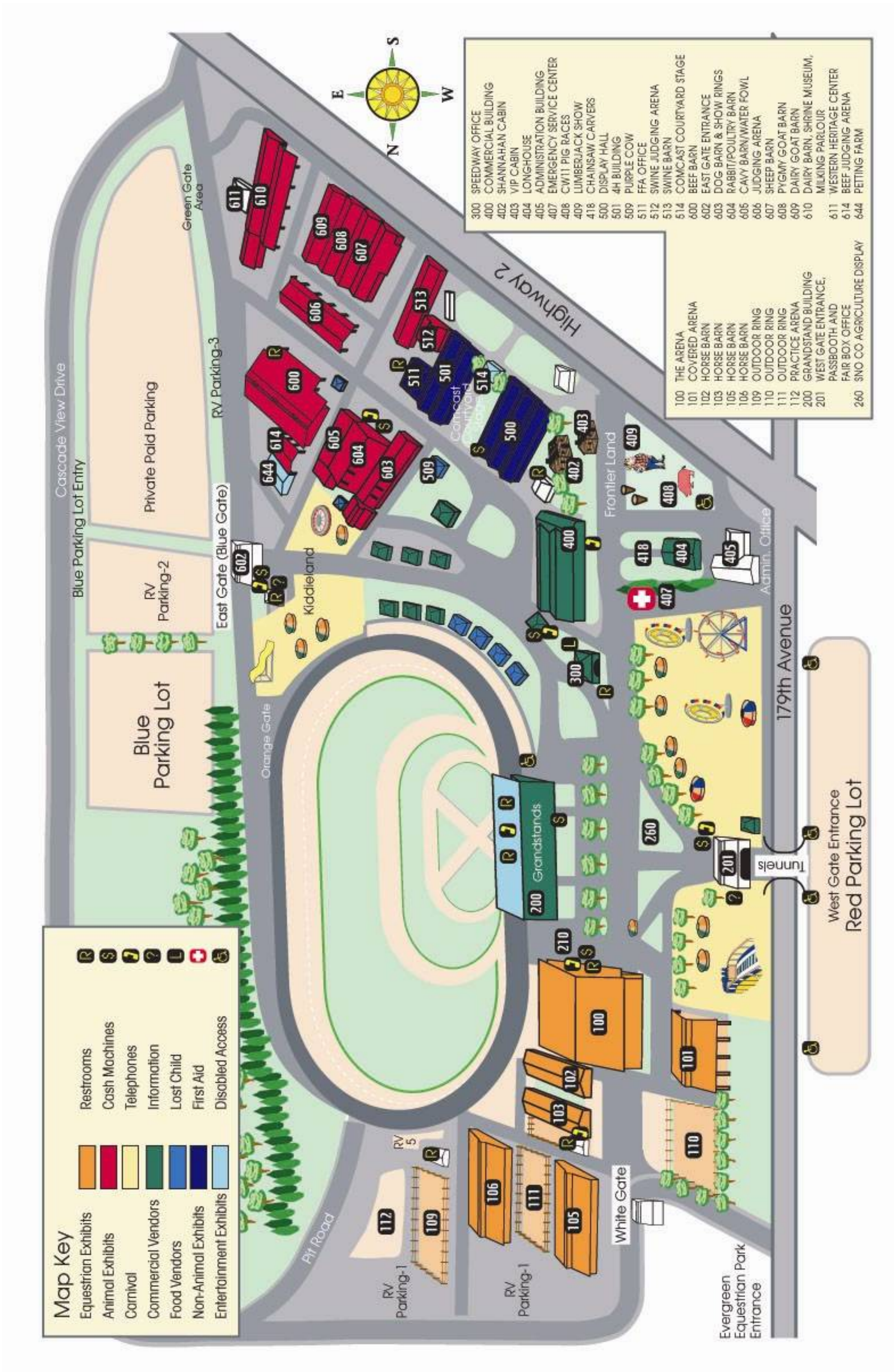
Business is relatively stagnant. They have lost two shows this past year (sportsman and RV). They feel they don't have sufficient indoor flat show space. Horse shows seeing a decline in attendance though number of shows is not declining.

How is your facility adapting to these changes?

Updating facility with new flat floor space; some buildings are still from original construction 1948. Making modifications for larger spaces that can be broken down into smaller spaces. Many spaces are small and inefficient. Wish list item at this time - hotel.

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

Need to pursue public/private partnerships, co-promoted events, etc. May put out a request for ideas for events.



Fairplex

1101 W. McKinley Avenue
Pomona, CA 91768
www.fairplex.com

Setting

Facility Description

543 acres

Parking

 # Events per year, Attendance per year

500, 3 million attendees

Event mix

What is your ownership model? (State, county, other?)

Owned by LA County; Managed by Los Angeles County Fair Assoc. A non-profit 501 (c)(5)

What is your funding model? Do you carry debt?

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

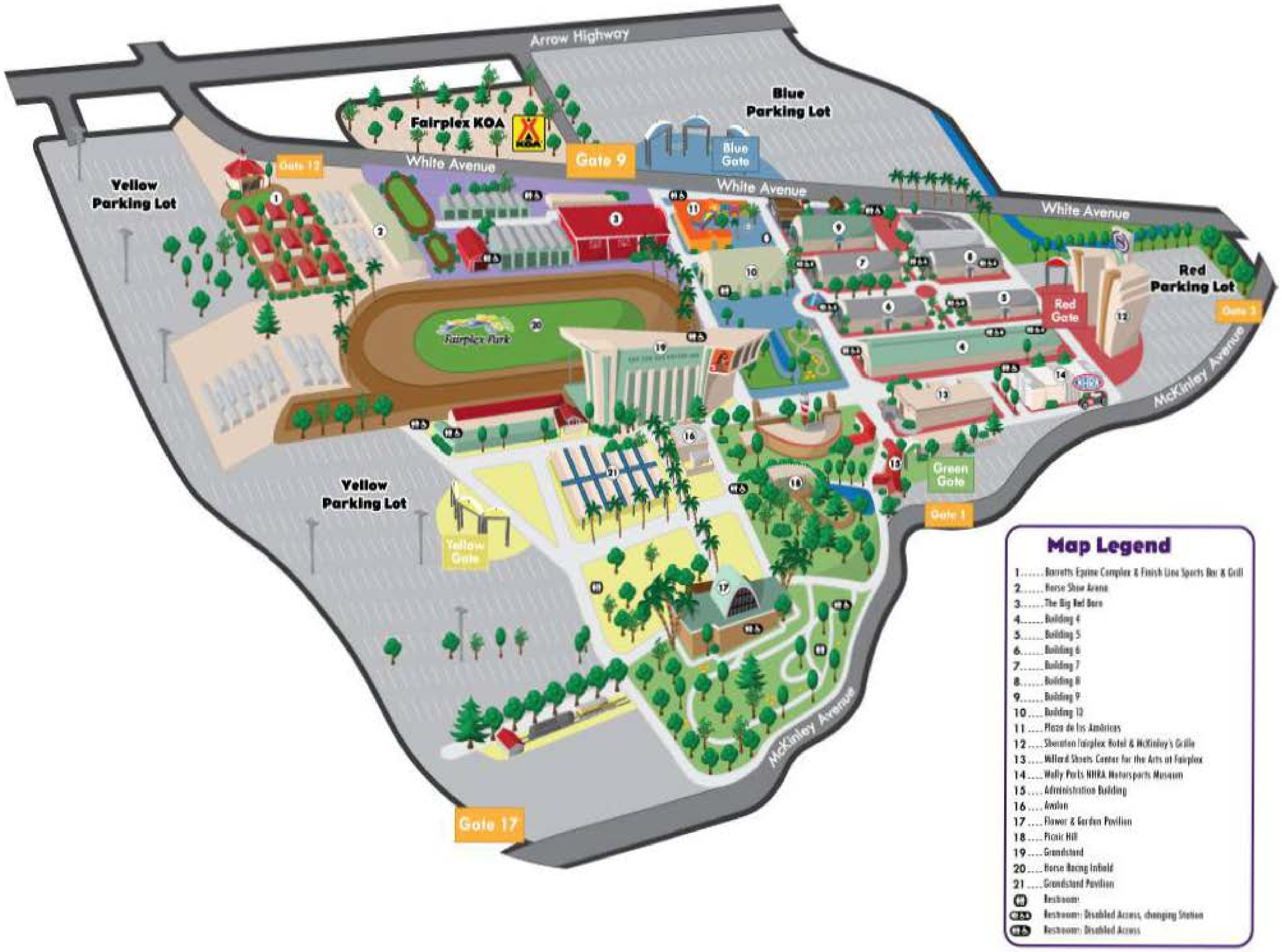
What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?



Arrow Highway
Blue Parking Lot
Fairplex KOA
White Avenue
Gate 9
Blue Gate
Gate 12
Yellow Parking Lot
Red Parking Lot
Red Gate
Gate 3
McKinley Avenue
Fairplex Park
Green Gate
Gate 1
Yellow Gate
Gate 17
Map Legend
1 ...... Barretts Equine Complex & Finish Line Sports Bar & Grill
2 ...... Horse Show Arena
3 ...... The Big Red Barn
4 ...... Building 4
5 ...... Building 5
6 ...... Building 6
7 ...... Building 7
8 ...... Building 8
9 ...... Building 9
10 .... Building 10
11 .... Plaza de las Américas
12 .... Sheraton Fairplex Hotel & McKinley's Grille
13 .... Millard Sheets Center for the Arts at Fairplex
14 .... Wally Parks NHRA Motorsports Museum
15 .... Administration Building
16 .... Avalon
17 .... Flower & Garden Pavilion
18 .... Picnic Hill
19 .... Grandstand
20 .... Horse Racing Infield
21 .... Grandstand Pavilion
Restroom
Restroom: Disabled Access, changing Station
Restroom: Disabled Access

Lane Events Center

796 W. 13th Avenue
Eugene, OR 97402
www.laneeventscenter.org

Ron Eggleston
ron@laneeventscenter.org
(541) 682-7334

Setting

In the heart of Eugene, Oregon, the Lane Events Center is uniquely located in the center of it all! Blocks from downtown and only minutes from the University of Oregon, the Lane Events Center is home to all types of events. Located just off of I-105, the Lane Events Center at the Fairgrounds has called this 55 acre campus home for over 120 years. Use to conjest things, but now public transportation helps, have worked out contracts located urban area, easy freeway access. Well used facility

Facility Description

55 acres. 260,000 sq ft over 10 buildings, including an ice rink, pavilion, and amptheater on ; exhibition space is 30000 sq ft of 55000 sq ft available spread over 7 halls; Halls 4-6 are used most of the year for the Lane Events Sports Center, so only halls; 1-3 and 7 are truly available for rental.

Parking

free parking smaller lot 7-800, larger lot 1200 (total 2400)

 # Events per year, Attendance per year

avg 250

Event mix

Lane county fair, flea markets, wedding shows, wedding receptions, quinceneras, trade shows (gun and knife), holiday market (5 weekends), RV, sportsman shows, home shows, logging conference

---

What is your ownership model? (State, county, other?)

County owned, transient room tax money

What is your funding model? Do you carry debt?

Majority comes from fair, TRT money, events; Do carry some debt, operate at a loss

What metrics or information do you use to manage your business?

Most of staff is long term, staff just knows how busy things are and what shows typically show up and when. fair attendance, also number of events

How do you source your events and how many do you host in a typical year?

85% are reacurring events, new events are people who direct call (hiring outside sales @ moment). Work with promoters, is researching

What, if any, special services do you offer to promoters/exhibitors?

on site caterer, (required to use if need catering for an event), tables/chairs/equip (PA podiums, ticket boxes, linens)

What characteristics of your facility do you believe contribute heavily to your success/failure?

Staff! Great attitudes and have been there a long time so they all have great customer service and good synergies. Help each other out, team oriented. New director with vast experience in large venues and has a trac record of expanding facilities.Wants staff to think outside the box and be true sales people. Looking to make facility financially self contained.

What amenities are offered on or around your facility?

couple of hotels a couple miles away, only a couple of miles from UofO so lots happening right around that

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

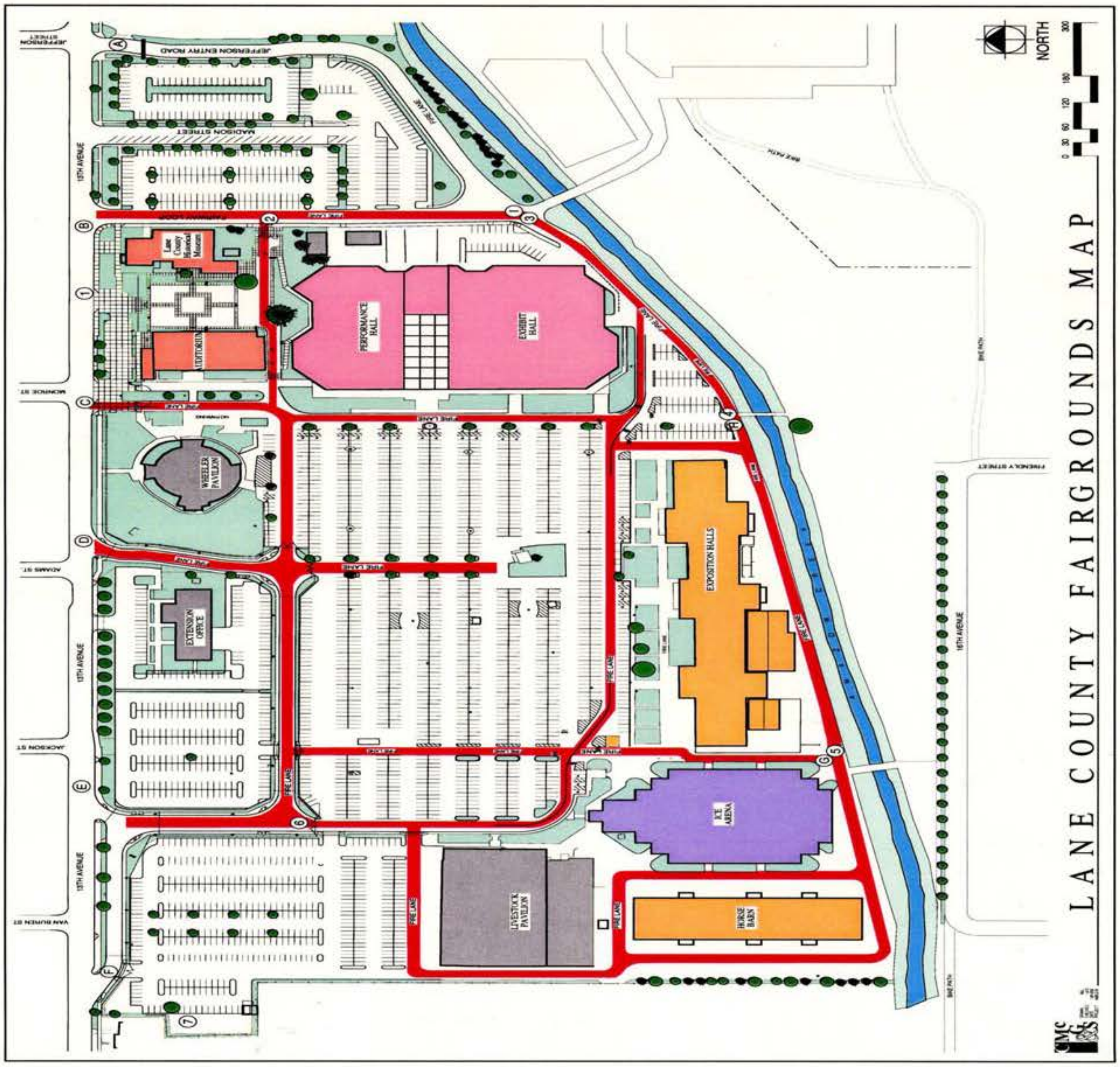
People like to come to the free events, pop going down at shows who charge. Long term trend of moving to free shows. Family event, whole families coming, but about the same as the past. already been using the show complementation, not seen copromotion yet but promoters are looking for more sponsors.

How is your facility adapting to these changes?

looking into promotion theirselves for concerts year round. work with radio stations. Director is familiar with concert promotion.

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

not planning any facility changes. May update pavilion in a couple years but no solid plans at this point.


LANE COUNTY FAIRGROUNDS MAP
NORTH
JEFFERSON ENTRY ROAD
MADISON STREET
13TH AVENUE
MONROE ST
ADAMS ST
JACKSON ST
VAN BUREN ST
FRIENDLY STREET
16TH AVENUE
Lane County Historical Museum
AUDITORIUM
PERFORMANCE HALL
EXHIBIT HALL
WHEELER PAVILION
EXTENSION OFFICE
EXPOSITION HALLS
ICE ARENA
LIVESTOCK PAVILION
HORSE BARN
FIRE LANE
BIKE PATH

Linn County Fair & Expo Center

3700 Knox Butte Road
Albany, OR 97322
www.lcfairexpo.com

Jan Taylor
jtaylor@co.linn.or.us
(541) 926-4314

Setting

Rural; on I-5 artery, positioned on county border to serve larger geographic area

Facility Description

35 Acres. 209,000 sq ft / 4 halls - 2 dirt, 2 finished

Parking

 # Events per year, Attendance per year

Event mix

50% equine (dirt), 50% convention, meeting, conference, etc

What is your ownership model? (State, county, other?)

Linn County, municipal

What is your funding model? Do you carry debt?

Meant to be self-sustaining/enterprise fund, but receive $60K subsidy from general fund '08 audit, Oregon Lotto ~$50k. Debt: $100K-$200K per year for bond taken ~11 yrs ago to develop property donated by City of Albany.

What metrics or information do you use to manage your business?

Financial performance, # events, estimated attendance

How do you source your events and how many do you host in a typical year?

Long-term repeat business, website discovery, professional networking

What, if any, special services do you offer to promoters/exhibitors?

not asked

What characteristics of your facility do you believe contribute heavily to your success/failure?

Dirt arenas serve agricultural/equine in rural setting. Lots of RV parking for trailers bringing in animals; located along I-5.

What amenities are offered on or around your facility?

RV hookups, adjacent hotels & RV parks, adjacent city park

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

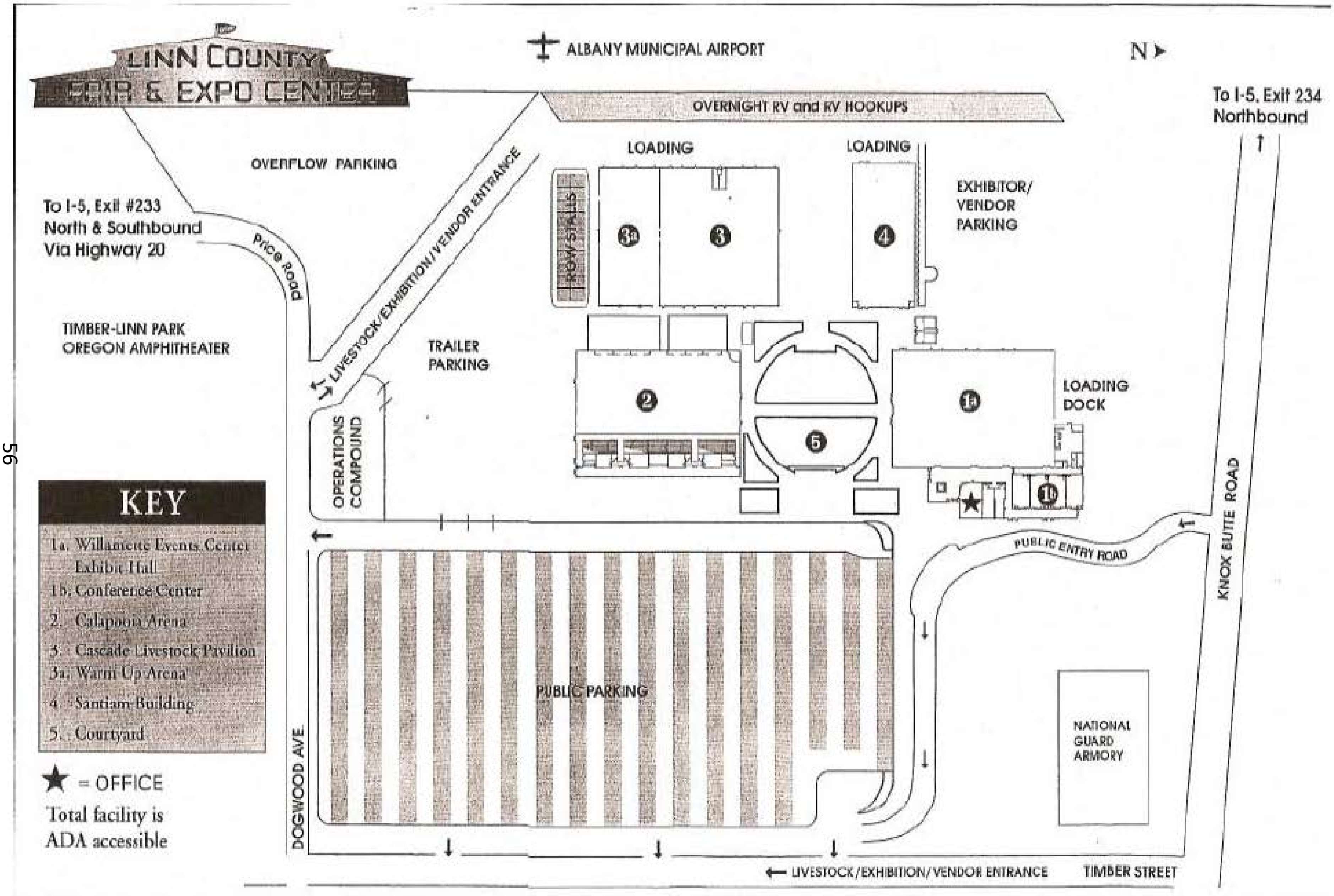
Equine shows OK, maybe a small decline. Agriculture and grass seed industries in decline; 4-H and FFA seeing declining enrollment. County Fair attendance in decline while people look for bigger thrills - roller coasters, concerts. Potential for other industries - Lowes Distribution Center & Wah Chang aero manufacturing events. RV events, although dinged by economy are key. Dog events have potential, but how to transport dogs from PDX airport?

How is your facility adapting to these changes?

Going after new companies for conferences and meetings - Lowes, RV, etc.; focusing in more convention to diversify.

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

Considering covering some outdoor space, but little else. Some retrofitting of facility to "green" technologies. Funded out of maintenance, CIP budget


LINN COUNTY FAIR & EXPO CENTER
ALBANY MUNICIPAL AIRPORT
N
OVERNIGHT RV and RV HOOKUPS
To I-5, Exit 234 Northbound
OVERFLOW PARKING
LOADING
LOADING
EXHIBITOR/ VENDOR PARKING
To I-5, Exit #233 North & Southbound Via Highway 20
Price Road
LIVESTOCK/EXHIBITION/VENDOR ENTRANCE
ROW STALLS
3a
3
4
TIMBER-LINN PARK OREGON AMPHITHEATER
TRAILER PARKING
2
1a
5
1b
LOADING DOCK
OPERATIONS COMPOUND
KNOX BUTTE ROAD
PUBLIC ENTRY ROAD
KEY
1a. Willamette Events Center Exhibit Hall
1b. Conference Center
2. Calapooia Arena
3. Cascade Livestock Pavilion
3a. Warm Up Arena
4. Santiam Building
5. Courtyard
= OFFICE
Total facility is ADA accessible
PUBLIC PARKING
NATIONAL GUARD ARMORY
DOGWOOD AVE.
LIVESTOCK/EXHIBITION/VENDOR ENTRANCE
TIMBER STREET

Orange County Fair & Event Center

88 Fair Drive
Costa Mesa, CA 92626
www.ocfair.com

Setting

Facility Description

150 acres

Parking

 # Events per year, Attendance per year

Event mix

What is your ownership model? (State, county, other?)

The OC Fair & Event Center, is a DBA for the 32nd District Agricultural Association, the state entity within the Division of Fairs and Expositions, California Department of Food and Agriculture.

What is your funding model? Do you carry debt?

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

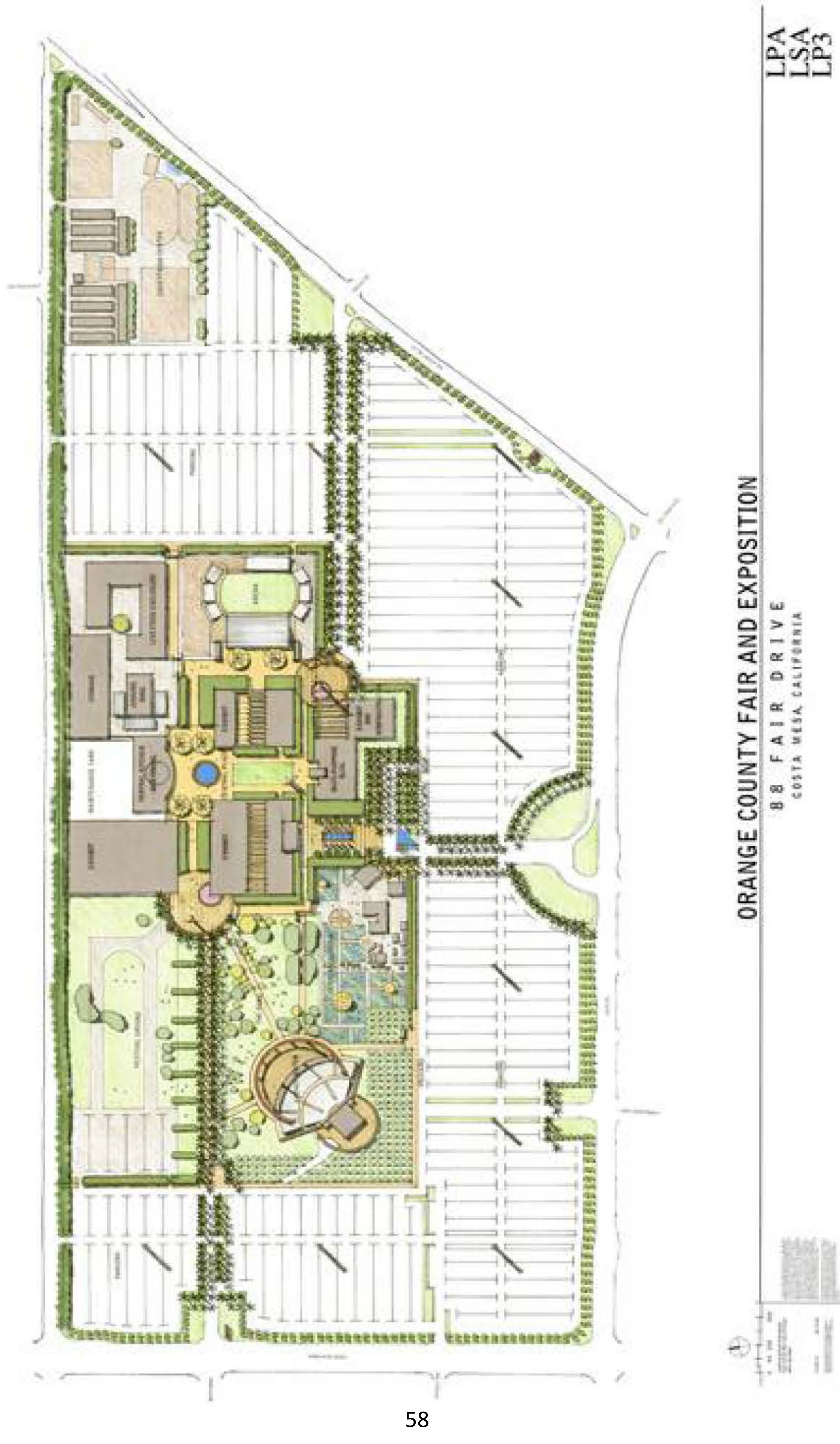
What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?


ORANGE COUNTY FAIR AND EXPOSITION
88 FAIR DRIVE
COSTA MESA, CALIFORNIA
LPA
LSA
LP3

Oregon State Fair and Expo Center

2330 17th Street NE
Salem, OR 97303
www.oregonstateexpo.org

Setting

Urban, set in central Salem close to downtown and abutting neighborhoods on two sides. Access is available from all directions and campus is less than five miles from I-5.

Facility Description

186 Acres. 143,954 sq ft over six buildings. Meeting space of 14,642 over five rooms/buildings. 5,104 sq ft of this space is in addition to the overall sq ft.

Parking

 # Events per year, Attendance per year

Event mix

State Fair, dances, consumer shows, weddings, meetings, musical events, livestock events, RV/boat shows

What is your ownership model? (State, county, other?)

Owned by State of Oregon; managed by Oregon State Parks.

What is your funding model? Do you carry debt?

Subsidized by State. Operate at a loss each year despite Oregon State Fair bringing in significant revenues. Annual revenues total $6.7 million dollars, compared with an operating budget of $7.8 million and debt payments of $2.1 million. The operation spends approximately $3.2 million more per year than it generates. This public subsidy is taken from lottery funds dedicated to state park purposes by a temporary constitutional amendment. The amendment could expire in 2014. Any section of State Parks that relies on lottery funding to subsidize its operational budget is imperiled by the potential to lose that funding source, virtually overnight.

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?


SUNNYVIEW ROAD
MAIN GATE
PARKING
SALEM ARMORY
JACKMAN-LONG BUILDING
17TH STREET
PUBLIC PARKING
COLUMBIA HALL
FORSTER LIVESTOCK PAVILION
SHOW HORSE BARN
BLUE GATE
FFA PAVILION
4-H EXHIBIT BUILDING
GRAY GATE
YELLOW GATE
SILVERTON ROAD NE

Puyallup Fair and Events Center

110 9th Avenue SW
Puyallup, WA 98371
www.thefair.com

Setting

Facility Description

169 acres

Parking

 # Events per year, Attendance per year

Event mix

What is your ownership model? (State, county, other?)

What is your funding model? Do you carry debt?

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

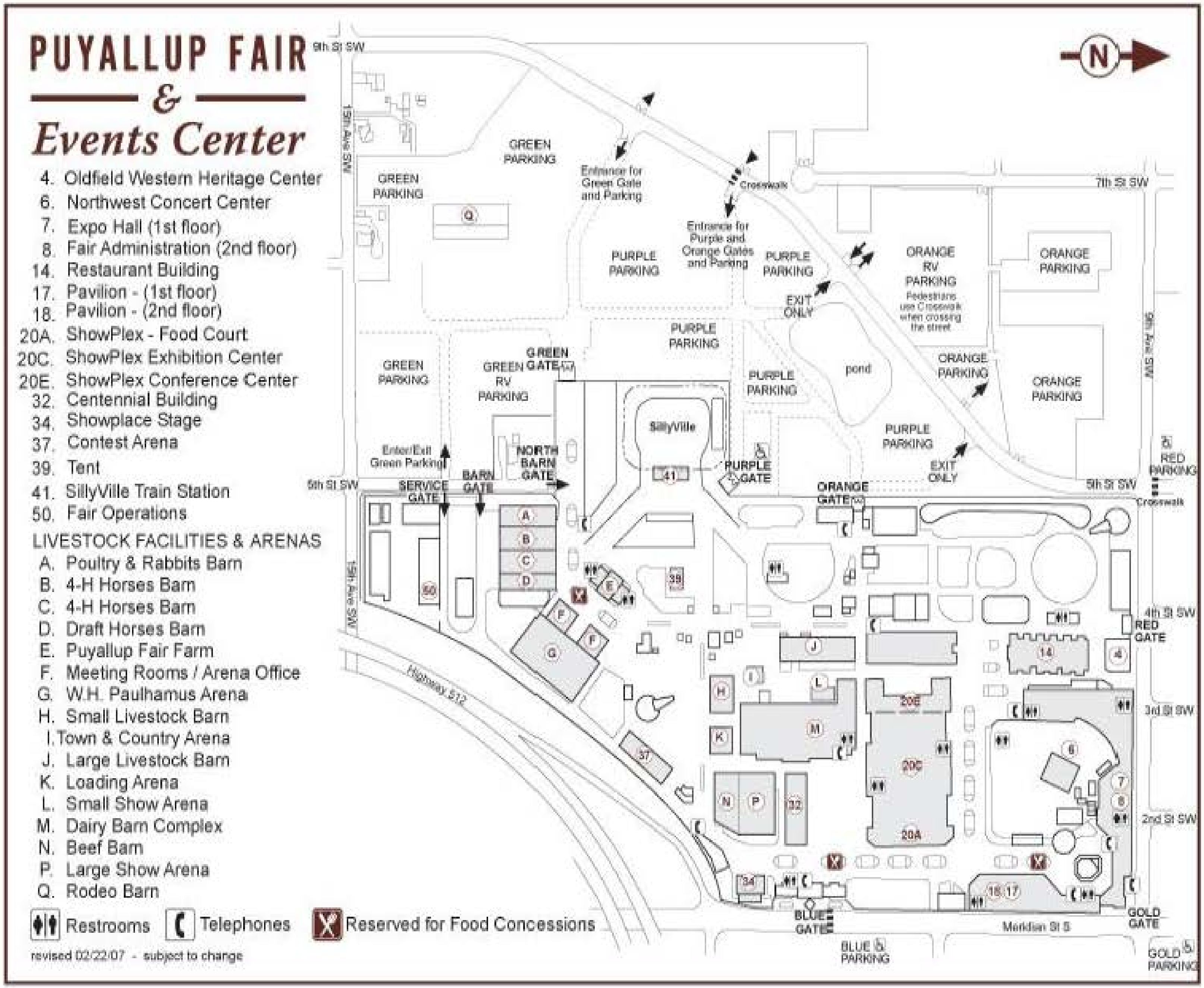
What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?


PUYALLUP FAIR
&
Events Center
4. Oldfield Western Heritage Center
6. Northwest Concert Center
7. Expo Hall (1st floor)
8. Fair Administration (2nd floor)
14. Restaurant Building
17. Pavilion - (1st floor)
18. Pavilion - (2nd floor)
20A. ShowPlex - Food Court
20C. ShowPlex Exhibition Center
20E. ShowPlex Conference Center
32. Centennial Building
34. Showplace Stage
37. Contest Arena
39. Tent
41. SillyVille Train Station
50. Fair Operations
LIVESTOCK FACILITIES & ARENAS
A. Poultry & Rabbits Barn
B. 4-H Horses Barn
C. 4-H Horses Barn
D. Draft Horses Barn
E. Puyallup Fair Farm
F. Meeting Rooms / Arena Office
G. W.H. Paulhamus Arena
H. Small Livestock Barn
I. Town & Country Arena
J. Large Livestock Barn
K. Loading Arena
L. Small Show Arena
M. Dairy Barn Complex
N. Beef Barn
P. Large Show Arena
Q. Rodeo Barn
Restrooms
Telephones
Reserved for Food Concessions
revised 02/22/07 - subject to change
N
9th St SW
7th St SW
5th St SW
4th St SW
3rd St SW
2nd St SW
15th Ave SW
9th Ave SW
Meridian St S
Highway 512
GREEN PARKING
PURPLE PARKING
ORANGE PARKING
ORANGE RV PARKING
GREEN RV PARKING
RED PARKING
BLUE PARKING
GOLD PARKING
Entrance for Green Gate and Parking
Entrance for Purple and Orange Gates and Parking
Crosswalk
Pedestrians use Crosswalk when crossing the street
EXIT ONLY
pond
SillyVille
Enter/Exit Green Parking
GREEN GATE
NORTH BARN GATE
BARN GATE
SERVICE GATE
PURPLE GATE
ORANGE GATE
RED GATE
BLUE GATE
GOLD GATE

Reliant Center

One Reliant Park
Houston, TX 77054
www.reliantpark.com

Setting

Urban

Facility Description

350 Acres / 706,000 sq ft

Parking

 # Events per year, Attendance per year

Event mix

What is your ownership model? (State, county, other?)

Owned by Harris County; managed by Harris County Sports & Convention Corp (aka Reliant Park is a private company categorized under Events-Special and located in Houston, TX.) Complex includes NFL Texans' Stadium Astrodome

What is your funding model? Do you carry debt?

Funding from Harris Co for Property Insurance Premium ($4.37M?) - Hotel & Occupancy Tax, CIP

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

What characteristics of your facility do you believe contribute heavily to your success/failure?

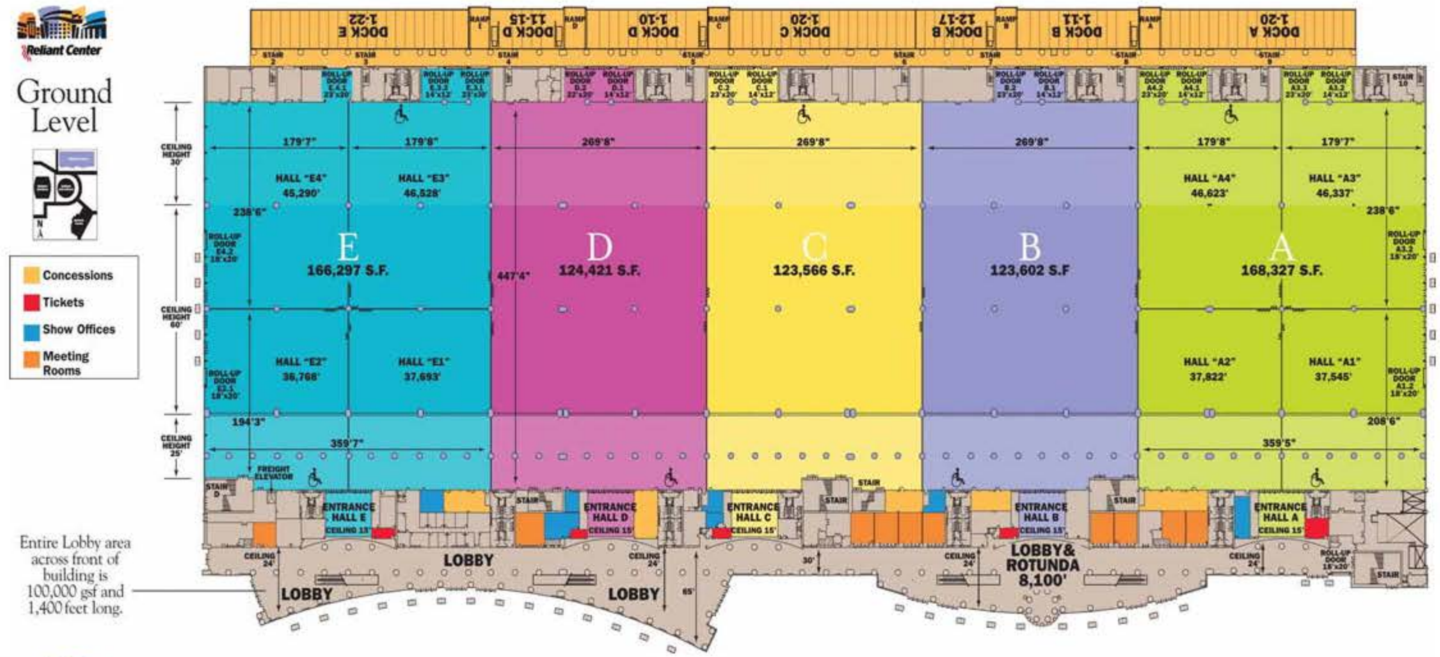
What amenities are offered on or around your facility?

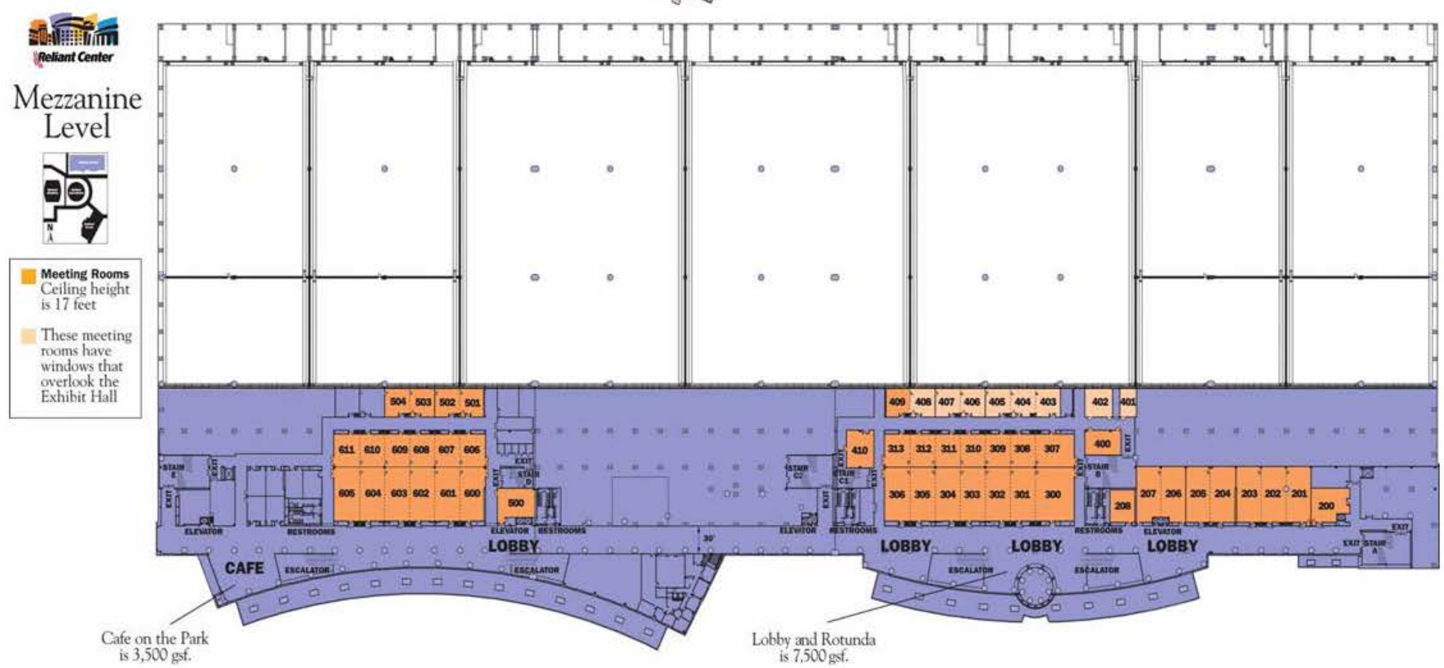
Reliant Stadium (NFL Houstan Texans facility, natural grass w/ retractable roof), Reliant Arena (325,000 sq ft exhibit space, 18,000 sq ft meeting space), Reliant Astrodome (140,000 sq ft exhibit space, 20,000 sq ft meeting space), thousands of parking spaces

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?


Reliant Center
Ground Level
Concessions
Tickets
Show Offices
Meeting Rooms
DOCK E 1-22
DOCK D 11-15
DOCK D 1-10
DOCK C 1-20
DOCK B 12-17
DOCK B 1-11
DOCK A 1-20
CEILING HEIGHT 30'
CEILING HEIGHT 60'
CEILING HEIGHT 25'
HALL "E4" 45,290'
HALL "E3" 46,528'
HALL "E2" 36,768'
HALL "E1" 37,693'
E
166,297 S.F.
D
124,421 S.F.
C
123,566 S.F.
B
123,602 S.F
A
168,327 S.F.
HALL "A4" 46,623'
HALL "A3" 46,337'
HALL "A2" 37,822'
HALL "A1" 37,545'
179'7"
179'8"
269'8"
238'6"
447'4"
194'3"
359'7"
359'5"
208'6"
ENTRANCE HALL E CEILING 15'
ENTRANCE HALL D CEILING 15'
ENTRANCE HALL C CEILING 15'
ENTRANCE HALL B CEILING 15'
ENTRANCE HALL A CEILING 15'
FREIGHT ELEVATOR
LOBBY
LOBBY
LOBBY
LOBBY& ROTUNDA 8,100'
Entire Lobby area across front of building is 100,000 gsf and 1,400 feet long.


Reliant Center
Mezzanine Level
Meeting Rooms Ceiling height is 17 feet
These meeting rooms have windows that overlook the Exhibit Hall
504 503 502 501
611 610 609 608 607 606
605 604 603 602 601 600
500
410
409 408 407 406 405 404 403
402 401
313 312 311 310 309 308 307
306 305 304 303 302 301 300
400
208
207 206 205 204 203 202 201
200
CAFE
ESCALATOR
LOBBY
LOBBY
LOBBY
LOBBY
ELEVATOR
RESTROOMS
Cafe on the Park is 3,500 gsf.
Lobby and Rotunda is 7,500 gsf.

Rose Quarter

One Center Court, Suite 150
Portland, OR 97227
www.rosequarter.com

Setting

Downtown Portland, Oregon just off of I-5. Urban area of 300,000

Facility Description

XXX Acres. Rose Garden has over 785,000 sq ft on 8 levels. The Rose Quarter is made up of the 20,000 seat Rose Garden, the 12,000 seat Coliseum, 6500 seat theater in the clouds, and a 40,000 square foot exhibition hall with 7 meeting rooms. The Garden opened in 1995 and the Coliseum opened in 1960. Have a 5000 person outdoor commons as well.

Parking

2600 parking spaces with charges of $6 - $13..

 # Events per year, Attendance per year

Over 300 events and 1 million patrons per year

Event mix

Have circus, Hockey, Bull riding, Women of faith, Concerts, Disney on ice, monster trucks and Rodeo.

What is your ownership model? (State, county, other?)

Memorial Coliseum and all but 1 acre of the Oregon Arena Project (Rose Quarter) are owned by City of Portland; Memorial Coliseum is managed by the Oregon Arena Corporation. Rose Garden is a public-private joint venture. <><> The Oregon Arena Corporation (OAC) owns and operates the Rose Garden Arena and, through a contract with the City, operates the Memorial Coliseum.

What is your funding model? Do you carry debt?

Funded in part by hotel tax and revenues from shows. Use sponsorships in many areas.

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

RV park. Offer event manager services.

What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

Have what is known as the Accoustical Cloud. This set of baffles in the ceiling helps to dial in the sound needs of various offerings. Not found anywhere else in the world.

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

Oregon Arena Corporation operates the Coliseum until 2013 under an agreement with the City. The City is responsible for Capital Improvements. The City receives a 6% user fee on ticketed events held in the Coliseum and 100% of the net parking revenue from the 1,100 space East - West Garages. The City also receives 1/2 of the net rental revenue from the Coliseum, after a provision is made for capital improvements. If the Coliseum loses money, Oregon Arena Corporation pays for the loss. As discussed elsewhere in this report, the Coliseum is currently operating at a loss.

For the first several years after the opening of the Rose Garden in 1995, the Coliseum operated at a modest profit. Since, Fiscal Year (FY) 1990-2000, however, the Coliseum has run at an annual operating loss.

San Mateo County Event Center

2495 S. Delaware Avenue
San Mateo, CA 94403
www.sanmateoexpo.org

Setting

Urban

Facility Description

48 Acres, 195,000 sq ft

Parking

750,000 sq ft

 # Events per year, Attendance per year

Event mix

What is your ownership model? (State, county, other?)

Owned by San Mateo County; Managed by San Mateo County Exposition and Fair Association (a non-profit corporation)

What is your funding model? Do you carry debt?

Maintenance is shared by both Association and County Parks. CIP is covered by County.

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

Satellite Wagering Facility - Horse Racing - San Mateo Jockey Club

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?


SAN MATEO COUNTY
EVENTCENTER
ON THE SAN FRANCISCO PENINSULA
2009
1346 Saratoga Drive
Main Event Entrance
East Parking Lot
RV Parking Lot
RVs 22-36
Gate E
RVs 1-21
Gate D
East Gate
Gate DD
Gate CC
Gate C
Ware-house
Maintenance Shop
Barn
Cypress Hall
Sequoia Hall
Meeting Pavilion
Expo Cafe
Concessions
Fiesta Hall
Expo Hall
Plaza Stage
Central Mall Lawn Area
Show Office
Jockey Club
Redwood Hall
Ticket Office
Show Office
Saratoga Drive
Public Service Center
Gate H
Gate B
South Delaware Street
West Parking Lot
West Gate
Admin Office
Staff Parking
Parking Booth
Delaware Entrance
To Hillsdale Station
Caltrain Tracks
To Hayward Park Station
25th Avenue
El Camino Real
To Hwy 92, Hwy 101 & Interstate 280
E
N
S
W

South Towne Exposition Center

9575 South State Street
Sandy, UT 84070
www.southtowneexpo.com

Toby Huebner
toby.h@southtowneexpo.com
(801) 565-4456

Setting

The biggest difference between the South Towne Exposition Center and other facilities is its unique location. It was built in the heart of Salt Lake's residential community, and is also located just off the freeway in the center of the Salt Lake Valley, providing easy access to visitors from Ogden to Provo.

Facility Description

29.67+??Acres. 5 contiguous halls for 243,000 sq ft, plus 15,000 sq ft of meeting room space. See Room Dimensions, Rates, and Capacity at the bottom.

Parking

1600 spaces - free parking

 # Events per year, Attendance per year

750,000 attendance/year

Event mix

Most shows are large consumer shows – home, RV/boat, auto, sports, outdoor interests, liquidation sales, bridal shows, expos. Also will have dances (mostly Hispanic) and association meetings.

What is your ownership model? (State, county, other?)

County owned

What is your funding model? Do you carry debt?

Supported by County General Fund and County CIP budget. Unknown if carry debt.

What metrics or information do you use to manage your business?

Biggest is percentage of space booked.

How do you source your events and how many do you host in a typical year?

Clientele is mostly static - only place for big shows in the area, so 80% of revenue comes from repeat clients. Will contact local associations and check needs for meeting rooms or halls. Most of the rest contact him (very soft sell).

What, if any, special services do you offer to promoters/exhibitors?

Promoter focused, work with promoters almost exclusively. Event managers coordinate all aspects with the promoters. Exclusive contract with food/bev provider. Offer preferred audio/visual services, tables/chairs with free set up for meetings, and risers available for meeting rooms (set up/take down cost). Will build staging. Decorating is outsourced.

What characteristics of your facility do you believe contribute heavily to your success/failure?

Parking is biggest. It is offered free in order to bring in more shows, but it is also a limitation because of number (1600). Located on Wayfront, South Towne is very accessible from all directions. Single story building is easy for move in/out and wheelchair access. Public transportation (TAP) drops passengers off at the door. Located in a suburban area, so noise for late night functions can be a hassle.

What amenities are offered on or around your facility?

Food/bev on site; 1200+ hotel rooms within 5 miles; 17 screen megaplex with restaurants across the street; 8-9 restaurants ranging from fast food to fine dining within 5 miles; Highly accessible from all directions.

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

Have seen some shows dropping halls to save on rent. Promoters have been teaming up (gun shows with Women's interest expos) to co-promote shows on the same weekend. Focusing more on being a family friendly facility. Located in frugal community, they are seeing more families coming. Hispanic population is growing and so is their attendance at shows.

How is your facility adapting to these changes?

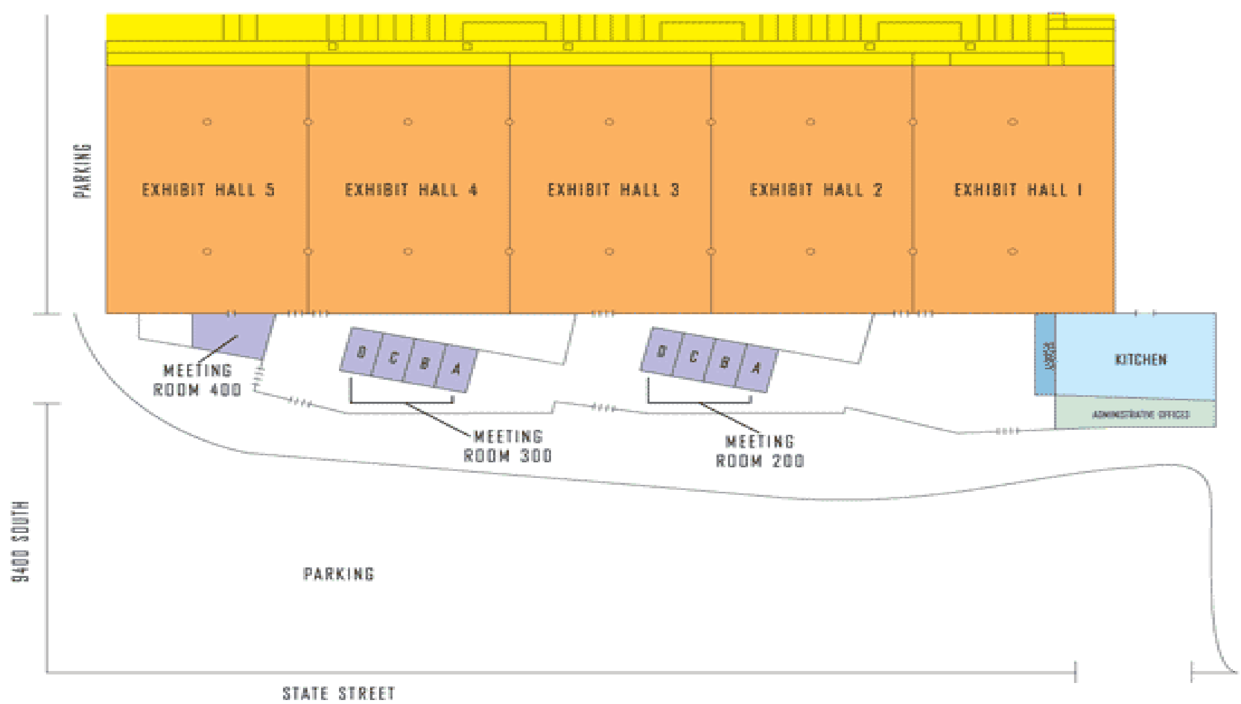
Helping shows connect for co-promotion; looking to undertake physical facility changes.

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

Improving water runoff handling (currently pools under parking lot creating soft spots and a need for repaving frequently). Increasing parking (hoping for a parking structure in the near to mid future). Sustainability initiatives (changing lighting, etc.). Want new marquee out front. No plans for expansion at this time.

Room Dimensions, Rates, and Capacities

ROOM	ROOM COSTS		ROOM DIMENSIONS			ROOM CAPACITIES		
	DAILY RATE	PER SQ. FT.	SQ. FT.	DIMEN.	CEILING	THEATER	BANQUET	CLASSROOM
LOBBY	N/C	N/C	52,000					
EXHIBIT HALL 1	$4,617.00	$0.095	48,600	270 X 180	30'	5400	2700	2700
EXHIBIT HALL 2	$4,617.00	$0.095	48,600	270 X 180	30'	5400	2700	2700
EXHIBIT HALL 3	$4,617.00	$0.095	48,600	270 X 180	30'	5400	2700	2700
EXHIBIT HALL 4	$4,617.00	$0.095	48,600	270 X 180	30'	5400	2700	2700
EXHIBIT HALL 5	$4,617.00	$0.095	48,600	270 X 180	30'	5400	2700	2700
ROOM 200	$1,056.00	$0.165	6,400	50 X 128	18'	600	300	300
ROOM 200 A	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 200 B	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 200 C	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 200 D	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 300	$1,056.00	$0.165	6,400	50 X 128	18'	600	300	300
ROOM 300 A	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 300 B	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 300 C	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 300 D	$264.00	$0.165	1,600	50 X 32	18'	150	60	75
ROOM 400	$377.00	$0.165	2,200	37 X 49	14'	200	130	120



Spokane County Fair and Expo Center

404 N Havana Street, Suite 1
Spokane Valley, WA 99202
www.spokanecounty.org/fair

Setting

Off I-90

Facility Description

97 acres / 144,000 sq ft / 14 buildings / 3000 sq ft meeting rooms / 4 arenas & covered grandstand / RV parking

Parking

3000 spots

 # Events per year, Attendance per year

Event mix

What is your ownership model? (State, county, other?)

Owned & managed by Spokane County

What is your funding model? Do you carry debt?

A subset of "Interstate Fair" Enterprise Fund - Rev '08 - $1,704,840; Exp '08 - $2,095, 809 = net loss $390,969 (Budget pg 86) offset by Interstate Fair & enterprise reserves (pg 16)

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

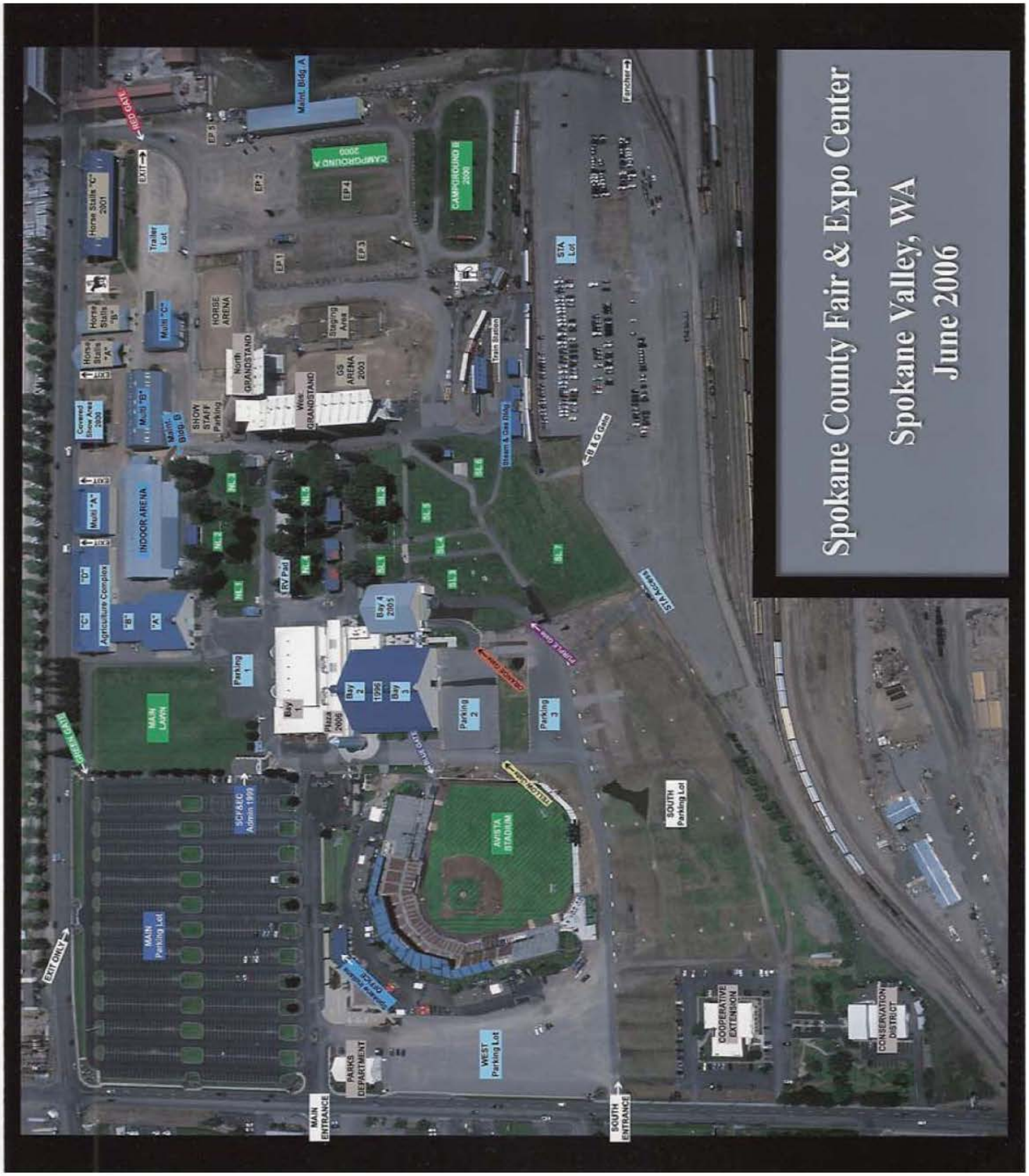
What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?


Spokane County Fair & Expo Center
Spokane Valley, WA
June 2006
MAIN Parking Lot
MAIN LAWN
AVISTA STADIUM
INDOOR ARENA
HORSE ARENA
North GRANDSTAND
West GRANDSTAND
GS ARENA 2003
Agriculture Complex
Horse Stalls "C" 2001
CAMPGROUND A 2000
CAMPGROUND B 2000
Maint. Bldg. A
Maint. Bldg. B
Trailer Lot
STA Lot
SOUTH Parking Lot
WEST Parking Lot
Parking 1
Parking 2
Parking 3
SCF&EC Admin 1999
PARKS DEPARTMENT
COOPERATIVE EXTENSION
CONSERVATION DISTRICT
MAIN ENTRANCE
SOUTH ENTRANCE
EXIT ONLY
RED GATE
Bay 4 2005
Train Station
Steam & Gas Bldg

Tacoma Dome

2727 East D Street
Tacoma, WA 98421
www.tacomadome.org

Setting

The Tacoma Dome is located in the City of Tacoma, just east of downtown on the edge of Commencement Bay. It is visible from I-5 with a large electronic event board advertising current and upcoming events to all who use the freeway. Urban location.

Facility Description

XXX Acres. Exhibition hall 28,800 Sq ft. plus the largest wood dome in the world. 65% of the seating is moveable. Can seat 5000-23,000. Opened in 1983.

Parking

A number of lots, fees vary from $8-25 per event. Most large concerts and sports $15

 # Events per year, Attendance per year

300 days of events at the exhibition hall. One million guest per year.

Event mix

Wedding show, large concerts - known as the preferred concert venue of the Pacific Northwest. Home and garden, sports, holiday shows, trade shows, sports high school to professional.

What is your ownership model? (State, county, other?)

Owned by the City of Tacoma

What is your funding model? Do you carry debt?

Declined interview. Has several sponsorship relationships with 15 businesses including Budweiser, Miller, key Bank and Les Schwab. Also have partnerships with many hotels and restaurants in the area.

What metrics or information do you use to manage your business?

How do you source your events and how many do you host in a typical year?

What, if any, special services do you offer to promoters/exhibitors?

RV park. Offer event manager services.

What characteristics of your facility do you believe contribute heavily to your success/failure?

What amenities are offered on or around your facility?

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

How is your facility adapting to these changes?

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

Washington County Fair Complex

873 N.E. 34th Avenue
Hillsboro, OR 97124
www.faircomplex.com

Lisa DuPré
lisad@faircomplex.com
(503) 648-1416 x206

Setting

In rural Washington county, between the Hillsboro airport and west side light rail, 2.5 miles from high tech industrial area housing compnaies such as Intel, SolarWorld, Planar Systems, and FEI

Facility Description

XXX Acres. Total 30,000 sq ft indoor + 13,500 sq ft outdoor facilities + 2 acres = Main Exhibit Hall: 24,000 sq ft; Cloverleaf Building: 3,200 sq ft; Floral Building: 2,040 sq ft; Friendship Square & Friendship Plaza: Covered picnic area, 3,840 sq ft with 2 acres of adjacent grass. Covered Show Rings: Large Ring is 7,200 sq ft; Small Ring is 2,400 sq ft

Parking

2 areas - 850' x 775' + 64000 sq ft dirt lots

 # Events per year, Attendance per year

153 (2009), 92 open to the public, 61 private functions

Event mix

The Home Orchard Society Fruit Show; 7th Annual Harvest Century, Bicycling Fundraiser for Community Vision, Inc; OSU and 4-H Harvest Festival; Pembroke Welsh Corgi B/OB Match; Oregon Rally Cross; Hillsboro Parks and Recreation Department Dog Obedience Class; The Pass It On Children's & Maternity Consignment Event; Oregon Cross Crusade #4 presented by the Oregon Bicycle Racing Association; All Things Hip and Cool New and Used Consignment Sale; Saqra's Belly Dance Showcase; Every Husband's Nightmare Bazaar; “Breakfast With

What is your ownership model? (State, county, other?)

Washington County - division of county parks. Work closely with Washington County Visitors Association Hillsboro Chamber of Commerce

What is your funding model? Do you carry debt?

Funding is a big issue. In November 2008 a levy failed to raise funds for 60,000 sq ft facility targeted to be built, effectively tripling their current capacity. Being free of debt in 2010, they may investigate a loan, or perhaps sell land. There have been a couple of possibilities for public/private partnerships. They get nothing from the general funds, but do get 1/7 of the hotel tax in the county.

What metrics or information do you use to manage your business?

Run like a business so books and typical accounting metrics are used, i.e. revenue based. Been able to build up reserve to fund some remodeling projects that wouldn’t have been possible in the past. “Rental Days” don’t necessarily tell a lot, as you can have somebody renting a very small area with a low rental fee for 7 days and you won’t see a huge revenue gain, and yet you can do a single-day concert such as the Warped Tour, hosted on August 16, and see a huge financial gain, so it’s what is rented more than necessarily rental days

How do you source your events and how many do you host in a typical year?

Total events: 153 (2009), 92 open to the public, 61 private functions. Nothing B2B, all B2C, or events such as parties.   All from long term relationships or getting the Expo’s leftovers. Sees an ever present need for their facility and a huge untapped potential in the market. Basically booked through the year, they have to actually turn down some business, so they are looking at expanding and upgrading to a modern and versatile facility to meet multiple needs.

What, if any, special services do you offer to promoters/exhibitors?

Event planning as needed and all logistics and facilities requirements like electricity, water, etc… They work closely with the Washington County Visitors Association and event planning companies.

What characteristics of your facility do you believe contribute heavily to your success/failure?

Their success comes from repeat business and “bang for the buck” as a “step down from the Expo” and for new business it is often due to there being no other choice. Word of mouth. They are easily accessible via Hwy 26, if it’s not rush hour, and have hotels within walking distance, the light rail close by, and easy access to downtown Portland, the coast, and nature.

What amenities are offered on or around your facility?

Hotels within walking distance and a light rail station easy access to downtown Portland and not too bad access to/from PDX, if not during rush hour.

What trends have you observed over the past few years in terms of the number and type of show as well as the population attending shows at your venue? What do you think is driving these trends?

From a county fairground standpoint, there seems to be a national trend to change the perception from being a fairgrounds that does other stuff toward an “event center” that just happens to also do the fair. The Puyallup fairgrounds, http://www.thefair.com/puyallup-fair/, “…are doing a fantastic job of this” with a new facility. (They are on my list to contact, but no response.) She sees an ever present need for their facility and a huge untapped potential in the market. There is a need for something sized between them (about 30,000 sq ft) and the Expo (330,000 sq ft). A key challenge in this is also rebranding themselves as more than “just a fairground”. They seem to be a source of last resort in the area, getting the Expo’s leftovers

How is your facility adapting to these changes?

They did purchase land in the late 80’s for expansion (debt to be off the books in 2010), but the problem is getting funds for facility upgrading and building of a proposed 60,000 sq ft facility, effectively tripling their current capacity. In November 2008 a levy failed to raise these funds. Being free of debt in 2010, they may investigate a loan, otor perhaps sell land. There have been a couple of possibilities for public/private partnerships, maybe something with the neighboring National Guard armory site. For rebranding, the modernization of their site and a renaming to “Event Center” are possibilities. They feel they must change the perception from being a fairgrounds that does other stuff toward an “event center” that happens to do the fair.

What changes are planned for your facility in both physical facility and in services and why? How are these going to be funded?

60,000 sq ft facility is targeted to be built, effectively tripling their current capacity. Funding is a big issue. In November 2008 a levy failed to raise these funds. Being free of debt in 2010, they may investigate a loan, or perhaps sell land. There have been a couple of possibilities for public/private partnerships.

Appendix 7 - MERC Proposed Budget
Portland Exposition Center

	2009-10 Proposed Budget	2008-09 3rd Close Actual	2007-08 Final Actual	2006-07 Final Actual	2005-06 Final Actual
Operating					
Revenue	3,705,306	3,730,742	3,985,117	3,590,753	3,484,471
Revenue - Food and Beverage	2,133,289	1,847,803	2,093,352	2,043,278	1,984,586
Total Operating Revenue	**5,838,595**	**5,578,546**	**6,078,469**	**5,634,031**	**5,469,058**
Costs - Food and Beverage	(1,570,435)	(1,475,214)	(1,552,665)	(1,481,617)	(1,385,327)
Personal Services	(1,545,827)	(1,483,747)	(1,436,762)	(1,323,176)	(1,320,980)
Goods & Services	(1,280,421)	(1,151,306)	(1,144,938)	(1,074,112)	(1,047,889)
Total Operating Expenses	**(4,396,683)**	**(4,110,266)**	**(4,134,365)**	**(3,878,905)**	**(3,754,195)**
Net Operating Results	**1,441,912**	**1,468,279**	**1,944,104**	**1,755,125**	**1,714,862**
Non Operating					
Non-Operating Revenue	148,734	109,354	167,958	280,284	112,761
Non-Operating Expense	0	0	0	0	0
	148,734	**109,354**	**167,958**	**280,284**	**112,761**
Support and Risk Management					
MERC Administration	(304,707)	(291,027)	(250,578)	(200,382)	(146,128)
Metro Support Services	(202,766)	(169,466)	(152,131)	(166,393)	(213,265)
Metro Risk Management	(70,743)	(76,354)	(68,624)	(61,000)	0
	(578,216)	**(536,847)**	**(471,333)**	**(427,775)**	**(359,393)**
Net Increase (Decrease)	**1,012,430**	**1,040,787**	**1,640,729**	**1,607,634**	**1,468,230**
Transfers					
Transfers from	0	1,194	0	0	0
Debt Service	(1,188,632)	(1,192,232)	(1,189,932)	(852,800)	(1,464,544)
Net Transfers	**(1,188,632)**	**(1,191,038)**	**(1,189,932)**	**(852,800)**	**(1,464,544)**
Net Operations	**(176,202)**	**(150,251)**	**450,797**	**754,834**	**3,686**
Capital					
Capital Outlay	(367,500)	(173,682)	(9,049)	(40,631)	(54,337)
Construction Management	0	0	0	(42,729)	(62,999)
Non-Operating Revenue	187,500	0	46,056	108,248	60,128
Transfers					134,300
Net Capital	**(180,000)**	**(173,682)**	**37,007**	**24,888**	**77,092**
Fund Balance Increase (Decrease)	**(356,202)**	**(323,934)**	**487,803**	**779,723**	**80,778**
Fund Balance					
Beginning Fund Balance	*5,745,316*	6,069,250	5,581,447	*4,801,724*	*4,720,946*
Fund Balance Inc (Dec)	(356,202)	(323,934)	487,803	*779,723*	*80,778*
Ending Fund Balance	**5,389,114**	**5,745,316**	**6,069,250**	***5,581,447***	***4,801,724***
Unrestricted Fund Balance	3,738,378	3,842,261	4,867,128		
Contingency	218,622	472,017	0		
Contingency for Renewal & Replacement	20,000	20,000	20,000		
Designated for Renewal & Replacement	40,000	20,000	0		
Designated for Phase 3	1,339,841	1,154,728	944,840		
Contingency for HQH (PERS Rsvr - Prior)	205,841	205,841			
Designated for PERS Reserve - Current	30,469	30,469			
Designated for PERS Reserve - Prior			237,282		
Ending Fund Balance	**5,593,151**	**5,745,316**	**6,069,250**		
Strategic Goal (6 mo operations, debt service)	**3,386,974**	**3,392,441**	**3,257,115**		
Available for Strategic Goal	3,977,000	4,334,278	4,887,128		
Excess (Gap)	**590,026**	**941,837**	**1,630,013**		