



The Oregon Convention Center

2012-2013

ANNUAL REPORT

MAKING A
GREAT
PLACE

 Metro



a major economic and cultural gateway

About the Oregon Convention Center

The Oregon Convention Center is one of the state's major economic and cultural gateways and a nationally renowned venue – among the top-tier meeting destinations in the country.

■ Each year, it hosts hundreds of events and roughly half a million visitors, many of whom are visiting Oregon for the first time. ■ The Oregon Convention Center's mission is to maximize the economic impact of the convention and tourism industry throughout the region. The Fiscal Year 2012-13 Annual Report provides the economic and fiscal impact data attributed to business at the facility and highlights the significant accomplishments over the past year. The Oregon Convention Center is owned by Metro and operated by its Metropolitan Exposition and Recreation Commission.



This is the golden age of Oregon tourism and culture.

Thousands of people from all over the country have been moving to Portland and Oregon over the past decade, drawn to the area's way of life, cultural amenities and affordability. Many more choose Oregon as their business and leisure travel destination.

A crucial gatekeeper for visitors is the Oregon Convention Center, one of the country's premier meeting facilities. Since opening in 1990, millions of visitors have walked through the doors to experience their first glimpse of Portland and Oregon. Those visitors have participated in or enjoyed one of the hundreds of events held at the Convention Center annually – events that have been responsible for hundreds of millions of dollars in state and local tax revenue, as well as legions of jobs created and supported because of these activities during the past 23 years.

In FY 2012-2013, the Convention Center hosted hundreds of events and attracted 530,300 attendees. This activity generated more than \$481.5 million in total spending and supported 4,830 full and part-time jobs worth about \$178.1 million in personal earnings for the year.

Beyond the fiscal and economic impact are the events and accomplishments that tell the Oregon Convention Center story. The narrative is a complex weave that ranges from the local to the international, from moments inside the Convention Center to events outside of it, including a visit from President Barack Obama, plans for a long-overdue anchor hotel, the introduction of a streetcar line, and numerous sustainability touchstones.



Striking glass towers adorn the Convention Center, drawing daylight inside, a key factor in obtaining LEED status.

From the director



Scott Cruickshank
EXECUTIVE DIRECTOR

The Oregon Convention Center's FY 2012-13 Annual Report serves several purposes. One is to summarize the Convention Center's economic impact on the region. Another is to provide the public with an open, transparent look into our organization, as well as to highlight recent achievements, set forth new challenges, and outline our Five-Year Mission Critical Plan.

This year's record revenues show the public is seeing a healthy return on its investment in the Convention Center. In FY 2012-13, the Convention Center hosted more than 530,300 visitors leading to \$481.5 million in local, regional and statewide spending. This spending supported nearly 5,000 jobs and produced about \$20 million in new tax dollars for important regional and state services. Additionally, roughly \$11.3 million in transient lodging and motor vehicle rental tax revenues supported Convention Center operations.

The business of running a world-class visitor venue like the Convention Center can sound tricky. It doesn't have to be. Customers and visitors, the majority of whom are from out-of-town, fund the Convention Center's operations. We've produced impressive numbers in this regard over the years. But, the truth is we need to generate bigger numbers if we are going to build upon the success that the entire region, local businesses and related communities currently share in equally.

Many of you have likely read or heard about some very important recent news that could change the economic dynamics of the Convention Center: A development team, represented by Minneapolis-based Mortenson Development and including Hyatt Hotels Corporation, was selected by Metro, Portland's regional government, to build a new headquarters hotel for the Convention Center. The proposed hotel would share a light-rail station and streetcar line with the Convention Center in the Rose Quarter/Lloyd District. With a 500-room block, the proposed hotel would be large enough to meet the demands of a bustling convention business and push us even further into that top tier.

Some critics worry about the mechanics and cost of building a hotel. Please be assured: A new hotel will not sit empty. The demand from customers has been loud and vocal for some time. Groups from the national technology sector, for example, have enthusiastically expressed their desire that we build a dynamic new hotel. So have members of the green, culinary arts, sporting and lifestyle industries.

Perhaps lost in the heated debate over the proposed hotel is the fact that its impact will provide a positive ripple effect beyond the Convention Center campus, breathing new life into the immediate area in a way that will transform the entire district into the city's most exciting entertainment precinct. At last, this area along Northeast Martin Luther King, Jr. Boulevard will fully bloom.

In short, the proposed new hotel should not be seen as an amenity. Rather, it's a necessary step that can help the Convention Center become the venue it was meant to be when it was created 23 years ago, as well as being another engine that will bolster the city's already booming post-Millennium tourism industry.

TOTAL ECONOMIC
BENEFITS to the
Tri-County Region
from Oregon Conven-
tion Center Operations

*Tri-County Region amounts
represent the sum of the
three counties. There may
be slight differences due
to rounding. Earnings
represent the salaries/wages
earned by employees of
businesses associated with
or impacted by the facility.*

| TRI-COUNTY REGION | |
|---------------------------|---------------|
| Direct Spending | \$283,922,000 |
| Indirect/Induced Spending | 197,595,000 |
| Total Spending | \$481,517,000 |
| Total Jobs | 4,830 |
| Total Earnings | \$178,149,000 |

| Clackamas County | |
|---------------------------|--------------|
| Direct Spending | \$28,687,000 |
| Indirect/Induced Spending | 19,787,000 |
| Total Spending | \$48,474,000 |
| Total Jobs | 490 |
| Total Earnings | \$18,199,000 |

| Multnomah County | |
|---------------------------|---------------|
| Direct Spending | \$214,119,000 |
| Indirect/Induced Spending | 149,223,000 |
| Total Spending | \$363,342,000 |
| Total Jobs | 3,630 |
| Total Earnings | \$134,123,000 |

| Washington County | |
|---------------------------|--------------|
| Direct Spending | \$41,114,000 |
| Indirect/Induced Spending | 28,587,000 |
| Total Spending | \$69,701,000 |
| Total Jobs | 700 |
| Total Earnings | \$25,827,000 |

Metro contracts with Crossroads Consulting Services to conduct the annual economic and fiscal impact analysis of its visitor venues. Expenditures generated from facility operations from items such as personal services, food and beverage, goods and services, marketing, administration and capital outlay are included as the initial measure of economic impact in the marketplace. So, too, is spending by attendees, sponsoring organizations, event producers and exhibitors outside the facility on items such as lodging, restaurants, retail, entertainment and transportation. A calculated multiplier is applied to the amount attributed to direct spending in order to generate indirect and induced effects. The sum of direct, indirect and induced effects equals the total economic impact, expressed in terms of spending, employment and jobs.

\$5.3
million
STATE INCOME TAXES
GENERATED

4,830
NUMBER OF JOBS
SUPPORTED IN
TRI-COUNTY AREA

\$120
MILLION
ESTIMATED INCREASE
IN ANNUAL ECONOMIC IMPACT
ONCE HOTEL OPENS

255,000
CONTIGUOUS SQUARE FEET
MEETING/CONVENTION SPACE

TOTAL ECONOMIC IMPACT FOR REGION
\$481,517,000

service to the community



The Oregon Convention Center plays a central role in Portland's economy and tourism industry but the staff also views itself as stewards of goodwill committed to the best Portland values. ■ During an all-staff meeting, employees volunteered at the Oregon Food Bank. For two hours, staffers packed more food bags than anyone had ever attempted. This out-of-the-office volunteering event built camaraderie and team rapport and helped to raise awareness about enduring issues like hunger and homelessness. ■ Oregon Easter Seals was another recipient of hardworking volunteer hours. For the eighth year, staff worked at one of the concession stands of the popular annual golf tournament held at Columbia Edgewater Country Club. Rather than share concession revenue with one another, volunteers donated all proceeds to the nonprofit organization.



A diversity of events

The Oregon Convention Center boasts a world-class sustainability program, first-class food offerings, and deep connections to local neighborhoods. Still, the most visible connection to the community remains the events attended by well over half a million visitors.

This year, hundreds of events were held at the Convention Center, attracting more than 530,300 people to consumer shows, catered events, tradeshows and conventions.

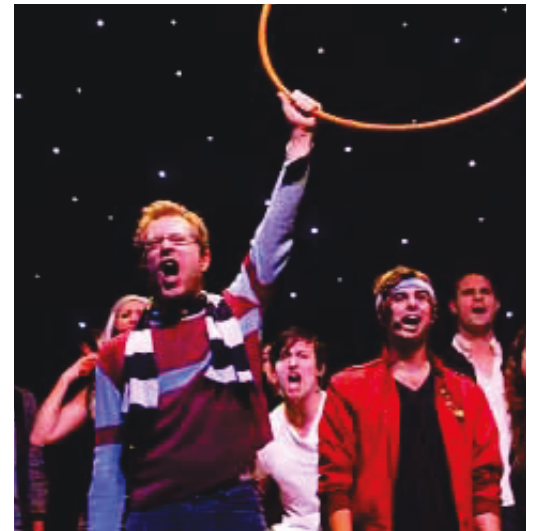
The Convention Center continued to build upon Portland's reputation as a burgeoning high-tech corridor, both in terms of companies located here and companies that are increasingly attracted to Portland and interact with the city or the companies that are based here. A significant focus of the facility's convention business revolved around this sector through events featuring such notable tech companies as jQuery and Intel and events by OSCON, DrupalCon, RailsConf and OpenStack.

This year, the Convention Center helped launch the inaugural 2013 Wizard World Portland Comic Con, regarded as one of the largest pop culture touring expositions in the world. Thousands of fans from around the globe converged onto Portland to celebrate and indulge in all manner of comics, movies, video gaming, toys, collectibles and much more. The event welcomed the star-studded likes of legendary comic book creator Stan Lee, actors Lou Ferrigno, Bruce Campbell and Dean Cain, and artists Carlos Pacheco and Chris Claremont, among others.

LeakyCon, an increasingly popular worldwide gathering of Harry Potter, science fiction and fantasy enthusiasts, was another highlight for the Convention Center. Portland hosted one of two international LeakyCon events in 2013. The other was held in London, England.

Portland State University's annual Simon Benson Awards Dinner recognized philanthropists Arlene Schnitzer and her son, Jordan, and noted entrepreneur Irving Levin and his wife, journalist Stephanie Fowler. The event's keynote speaker was the illustrious actress Diane Keaton.

The year also included a visit from President Barack Obama who greeted supporters and donors of Oregon Governor John Kitzhaber during his election campaign at a political fundraiser.



Members of The Leaky Cauldron, a fan site dedicated to the Harry Potter book series, met at the Oregon Convention Center for LeakyCon 2013.



Chef Allan Wambaa

World-Class Cuisine Portland may be the most talked about food city in America right now. Building on this reputation, Chef Allan Wambaa has turned a dedicated staff and acclaimed food program into a central focus of the Oregon Convention Center experience for visitors. ■ This year, Convention Center Chef de Cuisine Jonathan Dempsey bolstered his arsenal of culinary tools and trade skills through a training certification program held at The Culinary Institute of America in Hyde Park, New York. The CIA is regarded as one of the nation's preeminent culinary schools, and its programs are seen as the industry's ultimate "stamp of approval." ■ At a comprehensive four-day evaluation, Dempsey attained his ProChef Level II certification that focused on nutrition and healthy cooking, baking and pastry techniques, Mediterranean cuisine and garde manger. ■ Separately, Wambaa began studying to take, in 2014 at the CIA, one of the highest certification tests available – ProChef Level III. During this intensive certification process, Wambaa will elevate his knowledge of Asian and Latin American cuisine, wine studies, personnel management and financial skills.

sustainability



The Convention Center's rain garden was constructed by Portland architects Mayer/Reed. The garden's innovative landscape architecture and design, stormwater treatment and bioswales have earned numerous awards as well as recognition in the sustainable development community.

The Oregon Convention Center knows sustainability is more than a national trend. For the Convention Center, it's been the way of doing business ever since opening in 1990. Twenty-three years later, the commitment to sustainability remains the same.

This year, key capital and maintenance projects were completed, such as replacing commercial freezers and retrofitting light fixtures, both of which are anticipated to save energy and resources.

Management of the vast rooftop and hard surfaces that collect stormwater earned the Convention Center re-certification from the Portland-based nonprofit Salmon Safe. Salmon Safe works with public and private landowners to divert stormwater runoff from nearby rivers in the interest of protecting native salmon habitats. In addition, a new front-of-house composting program was launched, building on the success of the facility's back-of-house program.

The Convention Center's sustainability program, led by Matt Uchtman, Erin Rowland and Lindsey Newkirk, operates among the highest levels for visitor venues nationally. The team is credited with identifying strategies to incorporate sustainability practices in collaboration with venue clients.

For example, the Food Services of America corporation's annual Trends Show accomplished an 86 percent diversion rate, beating the former record of 80 percent. Roughly 2,080 pounds of pre-consumer food was donated to the Oregon Food Bank, enough to provide 1,600 meals to the Portland-area's neediest.

The sustainability team is leading the effort to seek LEED re-certification in 2014 with the goal of upgrading from Silver to Platinum.



This certification by the U.S. Green Building Council is becoming more common with new construction though it remains a rare accomplishment for an existing building.

A new Strategic Energy Management Plan was also established at the Convention Center, joining four local facilities, including Lewis & Clark College and Nike, in an ambitious vision to save energy. This preventative maintenance program aims to reduce energy usage by five percent annually.



This year marked the second for Plaza Palooza, the Convention Center's free outdoor summer concert series. ■ For eight weeks on Thursday evenings, guests enjoyed the musical performances of up-and-coming and well-known artists including Vicci Martinez, Dirty Martini, Pepe and the Bottle Blondes, Patrick Lamb and Curtis Salgado. ■ The series is the first of its kind in the Lloyd District neighborhood and was launched as a community benefit for businesses and residents.



A Convention Center Hotel

Since the Oregon Convention Center opened, a nearby headquarters hotel has been identified as the remaining element to a complete convention destination package.

Past attempts have tried and failed for numerous reasons. This year, Metro, which owns the Convention Center, launched a new hotel development project and selected Minneapolis-based Mortenson Development to build a Hyatt Regency next door.

The hotel could open by the middle of 2017, offering a four-star luxury experience to business travellers from around the world. A project team is negotiating the construction financing package and preliminary development agreement.

ESTIMATED FISCAL
BENEFITS FROM
OREGON CONVENTION
CENTER OPERATIONS
FY 2013

*Multnomah County collects
the Transient Lodging
Tax, a portion of which is
distributed to the City of
Portland's general fund and
to Travel Portland.*

| MUNICIPALITY TAX | AMOUNT |
|-------------------------------|---------------------|
| State of Oregon | |
| Personal Income Tax | \$4,689,000 |
| Transient Lodging Tax | 1,036,000 |
| Corporate Excise & Income Tax | 581,000 |
| Subtotal | <u>\$6,306,000</u> |
| Metro | |
| Excise Tax | <u>\$1,586,000</u> |
| Subtotal | <u>\$1,586,000</u> |
| Clackamas County | |
| Transient Room Tax | <u>\$699,000</u> |
| Subtotal | <u>\$699,000</u> |
| Multnomah County | |
| Transient Lodging Tax | \$9,340,000 |
| Motor Vehicle Rental Tax | 1,068,000 |
| Business Income Tax | 96,000 |
| Subtotal | <u>\$10,504,000</u> |
| Washington County | |
| Lodging Tax | \$1,315,000 |
| Subtotal | <u>\$1,315,000</u> |
| Grand Total | <u>\$20,410,000</u> |



Portland owns a world-class reputation for its transportation system.

This year, the city nearly doubled the tracks of its existing streetcar line with a new line that extends beyond downtown across the Willamette River and along historic Northeast Martin Luther King, Jr. Boulevard. A primary stop is located right in front of the Oregon Convention Center, providing visitors with another accessible option for easy travel between the facility and other parts of the city.

SUMMARY OF KEY
COMPARATIVE DATA

| CATEGORY | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|--------------------------------|---------------|----------------|---------------|---------------|
| Utilization | | | | |
| Events | 424 | 469 | 392 | 377 |
| Total Use Days | 1,050 | 1,134 | 948 | 1,008 |
| Total Attendance | 521,200 | 570,400 | 554,500 | 530,300 |
| Total Attendee Days | 953,200 | 866,100 | 876,200 | 897,900 |
| Financial Operations | | | | |
| Operating Revenues | \$16,645,000 | \$19,007,000 | \$18,054,000 | \$21,301,000 |
| Operating Expenses | 24,983,000 | 29,039,000 | 27,961,000 | 26,095,000 |
| Net Operating Results | (\$8,338,000) | (\$10,032,000) | (\$9,907,000) | (\$4,794,000) |
| Economic/Fiscal Impacts | | | | |
| Direct Spending | \$305,658,000 | \$261,451,000 | \$256,097,000 | \$283,922,000 |
| Indirect/Induced Spending | 220,221,000 | 188,128,000 | 177,964,000 | 197,595,000 |
| Total Spending | \$525,879,000 | \$449,579,000 | \$434,061,000 | \$481,517,000 |
| Total Jobs | 5,000 | 4,260 | 4,350 | 4,830 |
| Total Earnings | \$195,319,000 | \$167,618,000 | \$161,025,000 | \$178,149,000 |
| Total Tax Revenues | \$19,085,000 | \$15,489,000 | \$18,059,000 | \$20,410,000 |

\$1.8
million

SPENT ON FOOD AND BEVERAGES
FROM LOCAL BUSINESS

29,000

MEALS DONATED TO OREGON FOOD BANK

NUMBER OF
MEETING
ROOMS

50

70%

OF PRODUCE PURCHASES
LOCALLY GROWN

4

ELECTRIC VEHICLE
CHARGING STATIONS

100%

RENEWABLE ENERGY
OFFSETS FOR
ELECTRICITY AND
NATURAL GAS

66,000

PLATES OF FOOD DONATED TO FOOD SHELTERS

80+

VOLUNTEERS
ASSISTING GUESTS

9,800

LBS OF USABLE GOODS GIVEN
TO RE-USE ORGANIZATIONS



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Photos by Bruce Forster except as noted. David Gn: cover;
Nancy Erz: pages 6 & 7, page 9 top and bottom, back cover; Fred Joe Photo: page 9, left top.