
MERC Commission Meeting

May 1, 2019
12:30 pm

Expo Center

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit www.oregonmetro.gov/civilrights or call 503-813-7514. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1890 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at www.trimet.org.

Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1890 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт www.oregonmetro.gov/civilrights або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1890 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

Metro 的不歧视公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 www.oregonmetro.gov/civilrights。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1890（工作日上午8點至下午5點），以便我們滿足您的要求。

Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullan dadweyne, wac 503-797-1890 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqa ka hor kullanka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1890를 호출합니다.

Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。までお電話ください公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1890（平日午前8時～午後5時）までお電話ください。

ការម Metro
ការគោរពសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro
ឬដើម្បីទទួលបានក្បួនបណ្តឹង រើសអើងសូមចូលទស្សនាគេហទំព័រ
www.oregonmetro.gov/civilrights
បើលោកអ្នកត្រូវការអនុបកប្រែភាសានៅពេលអង្គ
បុណ្យសាធារណៈ សូមទូរស័ព្ទលេខ 503-797-1890 (ម៉ោង 8 រឺក្នុងម៉ោង 5 ល្ងាច
ថ្ងៃអាទិត្យ) ប្រាំពីរថ្ងៃ
ថ្ងៃមុន មុនថ្ងៃបុណ្យសាធារណៈឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក

إشعار بحقوق مدني من Metro

تحتزم Metro الحقوق والمدنية للمزيد من المعلومات حول برنامج Metro لحقوق والمدنية أو لإبداء شكوى خذات مديري رجي زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، ي ج ب عليك الاتصال مقدم برفق لهاتف 503-797-1890 من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة قبل خمسة () أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1890 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan. Notificación de no discriminación de Metro.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights. Si necesita asistencia con el idioma, llame al 503-797-1890 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1890 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1890 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1890 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lw m ua nte ntawm lub rooj sib tham.





Karis Stoudamire-Phillips
Chair

John Erickson
Vice chair

Deidra Krys-Rusoff
Secretary-treasurer

Damien Hall

Ray Leary

Dañel Malán

Deanna Palm

Meeting Agenda

May 1, 2019

12:30 to 2:30 p.m.

Expo Center – Room 203-204

- | | |
|-------------------|--|
| 12:30 p.m. | Call to Order and Roll Call |
| 12:35 | Citizen Communication |
| 12:40 | Commission / Council Liaison Communications |
| 12:45 | General Manager Communications
Scott Cruickshank |
| 12:50 | Construction Careers Pathway Project Update
Raahi Reddy, Heidi Rahn, Metro |
| 1:20 | Financial Report
Rachael Lembo |
| 1:25 | Consent Agenda <ul style="list-style-type: none">Record of MERC Actions, April 3, 2018 |
| 1:30 | Action Agenda <ul style="list-style-type: none">Resolution 19-04 - For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Budget for FY2019-20, and requesting amendment of the FY 2019-20 through FY 2023-24 Capital Improvement Plan (CIP). |
| 1:35 | Expo Project Status Report
Ben Rowe, Metro |
| 2 p.m. | OCC Business Transfer to Expo Update
Alicia Crawford, Expo |

MERC Commission Meeting

May 1, 2019
12:30 pm

Construction Careers Pathway
Project Update

MERC Commission Meeting

May 1, 2019
12:30 pm

Financial Report

MARCH 2019

FINANCIAL INFORMATION

For Management Purposes only



OREGN

Oregon
Convention
Center



Memo



Metro

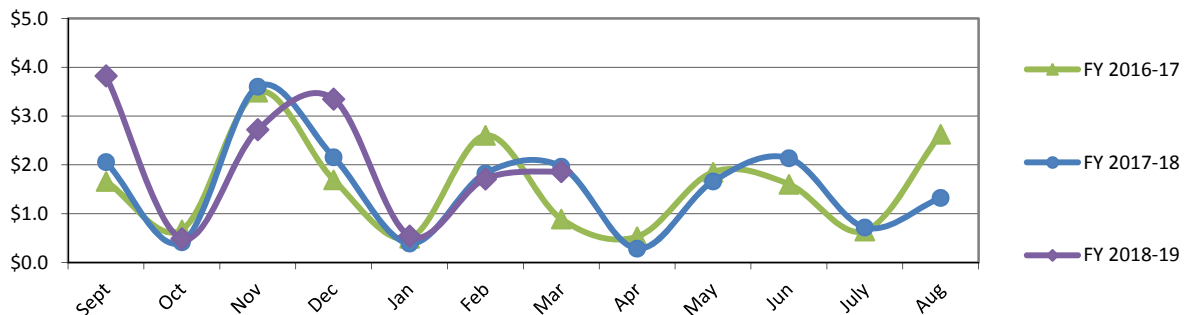
600 NE Grand Ave.
Portland, OR 97232-2736

Date: May 1, 2019
 To: Commissioner Karis Stoudamire-Phillips, Chair
 Commissioner John Erickson, Vice Chair
 Commissioner Deidra Kryz-Rusoff, Secretary-Treasurer
 Commissioner Damien Hall
 Commissioner Ray Leary
 Commissioner Dañel Malán
 Commissioner Deanna Palm

From: Rachael Lembo – MERC Finance Manager
 Re: Financial Updates for March 2019

Transient Lodging Tax

Total March collections were up \$70,000, 4%, from prior year. This mostly offsets the dip in February; collections over the February-March period are flat compared to the prior year.



This month we exceeded the amount needed to fund OCC and P5 operations, Travel Portland and RACC, meaning that Pooled Capital received some revenue for the first time this year. All receipts from April-August will be for Pooled Capital, and will be split between OCC, 85%, and Expo, 15%.

The chart below is Metro TLT Excise Tax receipts, not Total TLT Excise Tax receipts. Since this year the \$200,000 to RACC was funded in March, and last year it was April, Metro receipts are down \$100,000 compared to March 2018. That will even out next month.

Metro TLT Excise Tax receipts	FY2017-18	FY2018-19	\$ Var	% Var
March	1,964,594	1,865,907	(98,687)	-5%
YTD	12,415,445	14,509,923	2,094,478	17%

Year-to-date collections are up significantly, primarily due to receipts paid in September this year that were received in August in the prior fiscal year, now also due to the RACC payment made in March this year and April last year. If we adjust for those timing differences the YTD increase is 5%. This is a better indicator of the change in collections.

Metro TLT Excise Tax receipts	FY2017-18	FY2018-19	\$ Var	% Var
YTD, excl Sept	10,155,571	10,685,319	529,748	5%

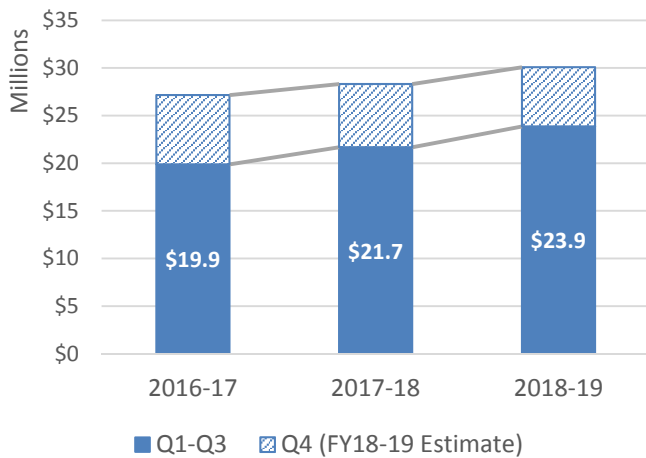
Oregon Convention Center Quarterly Update

This has been a busy year at the Oregon Convention Center, with increased event revenues amid a major renovation. Event revenues are up \$2.2 million, 10%, over the prior year and are expected to exceed budget by \$500,000, 2%. Food and beverage is having a stellar year with a YTD margin of \$3.4 million, 26%, which is projected to increase to \$3.8 million, 23%, by the end of the year. Operating expenses are estimated to end the year with \$800,000, 2%, in savings.

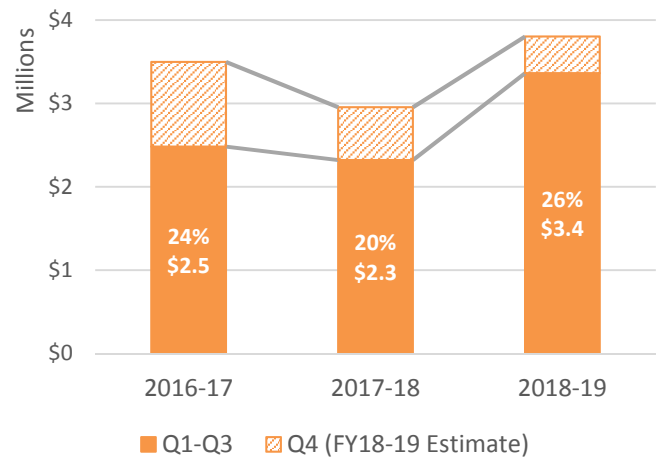
Significant events through March 2019 include the Portland International Auto Show, Nonprofit Technology Conference and Viewpoint Collaborate.

The OCC renovation is halfway done! The areas of Holladay Lobby and down the steps to Pre-Function A are complete. Construction is ongoing in MLK Lobby and down the steps to Pre-Function C, as well as the exterior plaza. As of April 1, demolition in the Oregon Ballroom has officially begun. The renovation work will continue through the summer with substantial completion in October 2019. In addition to the renovation, the Center is also in progress on a lighting control upgrade and a partial cooling system replacement.

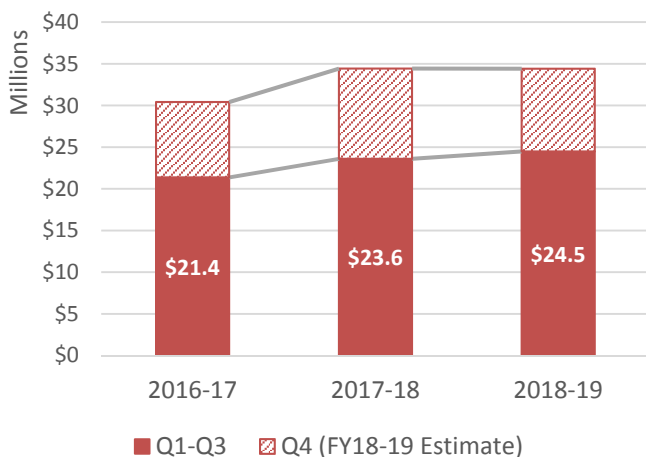
OCC Event Revenues



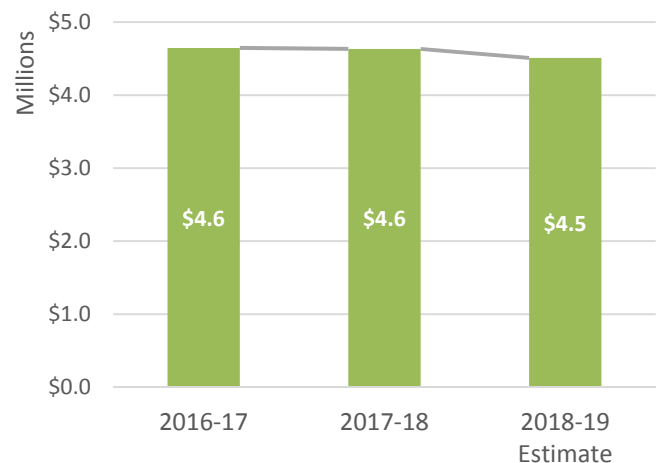
OCC Food & Beverage Margin, % and \$



OCC Operating Expenses



OCC Annual Net Operations



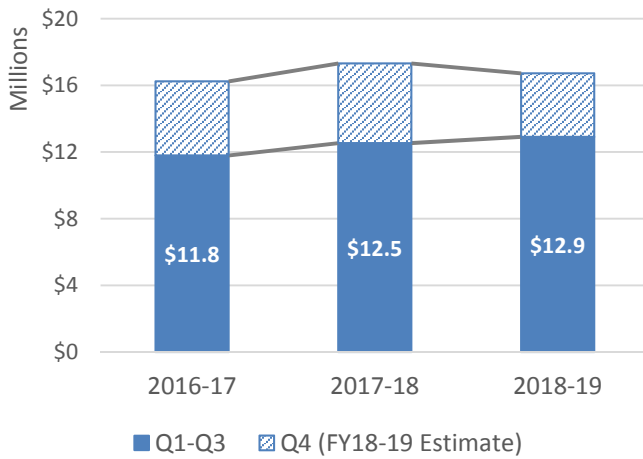
Portland's Centers for the Arts Quarterly Update

Portland's Centers for the Arts is having another strong season, with two busy months left to go. Event revenues are up \$380,000, 3%, over the prior year and are expected to meet budgeted goals. Food and beverage sales are on budget, and good cost management has increased the margin, which is projected to end the year with at \$890,000, 27%. Operating expenses are estimated to end the year with \$1.1 million, 6%, in savings.

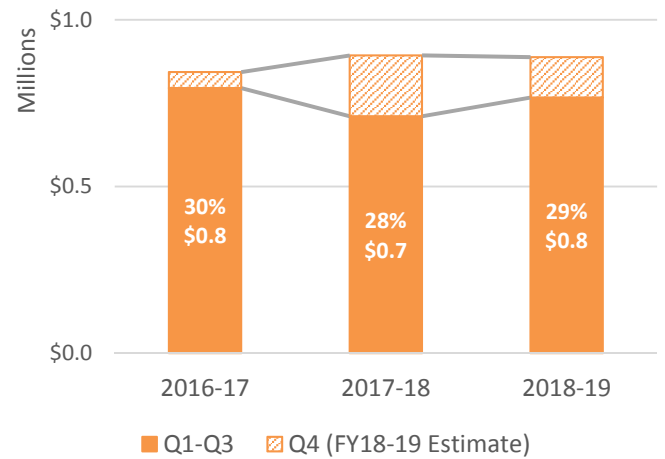
Portland's has nine weeks of Broadway performances this year, with two left to go in the last quarter of the year. Portland's Presents has booked a total of 32 events, slightly fewer than last year, but with strong sales revenues are expected to exceed prior year by \$350,000, 25%.

Portland's has completed an overhaul of elevators at the Arlene Schnitzer Concert Hall and an upgraded nearly every electrical panel in the Keller Auditorium. Construction on the Antoinette Hatfield Hall roof will begin this summer.

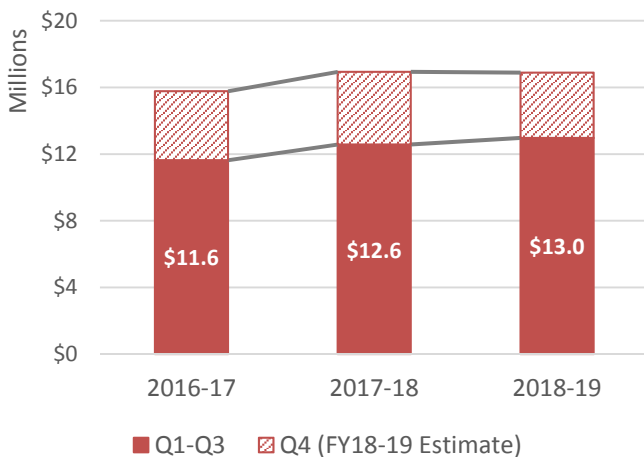
P5 Event Revenues



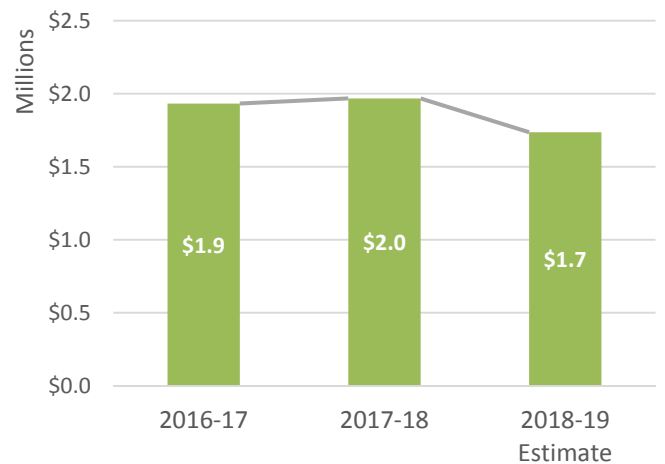
P5 Food & Beverage Margin, % and \$



P5 Operating Expenses



P5 Annual Net Operations



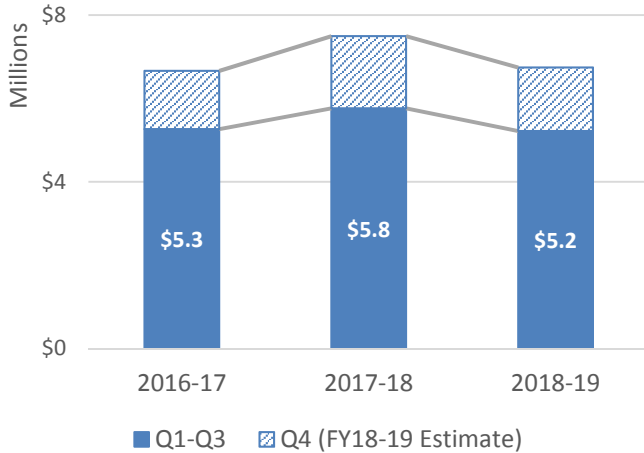
Portland Expo Center Quarterly Update

The third quarter is always a busy one at the Portland Expo Center, with over 40% of event revenue budgeted this period. Attendance was comparable to third quarter last year, with the exception of the Sportsmen’s Show which was down due to snow that weekend. Third quarter event revenues were up \$150,000, 6%, over the prior year, but year-end event revenues are expected to be \$510,000, 7%, short of budgeted revenue goals. This is primarily in food and beverage, where sales were lower due to food and beverage heavy events which did not return. Food and beverage projects a year-end margin of \$170,000, 8%. Operating expenses are estimated to end the year with \$90,000, 2%, in savings.

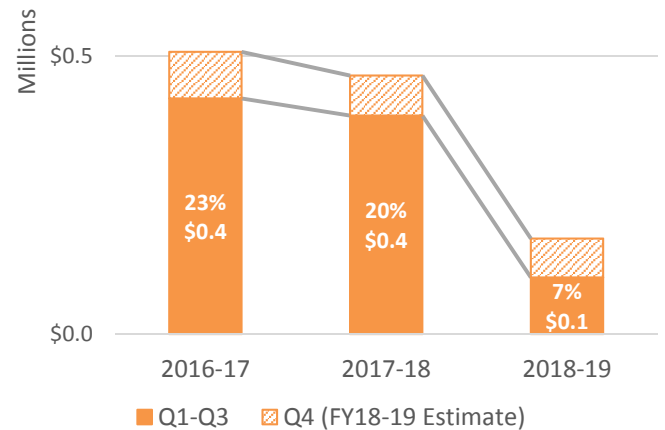
Significant events through March 2019 include Pacific Northwest Sportsmen’s Show and Sport Fishing Boat Show, America’s Largest Christmas Bazaar and Rose City Classic Dog Show.

Expo has completed two major Information Systems projects: Voice over Internet Protocol (VoIP) and Show Net, a network solution offered to clients in Halls D and E. The new point-of-sale system for food and beverage will be deployed in May.

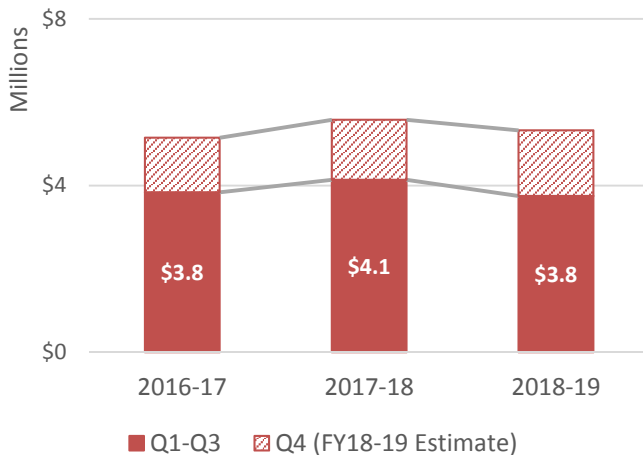
Expo Event Revenues



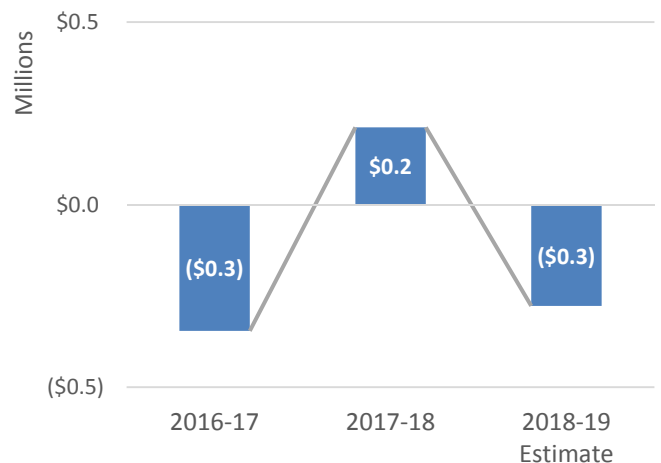
Expo Food & Beverage Margin, % and \$



Expo Operating Expenses



Expo Annual Net Operations



Oregon Convention Center

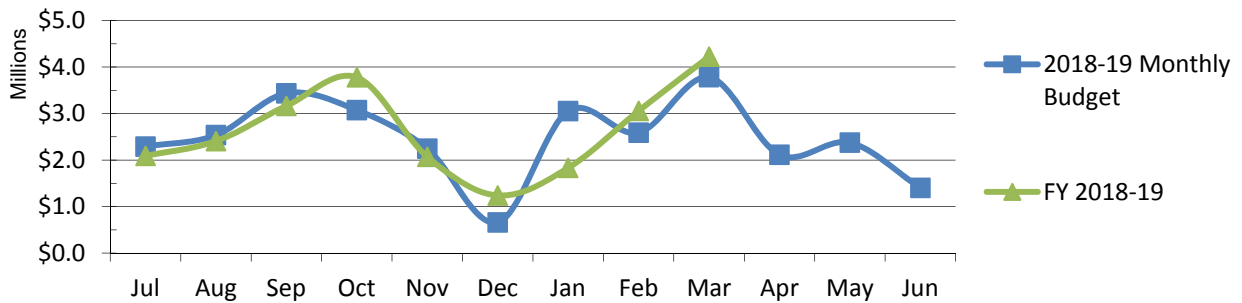
March event revenues exceeded \$4 million, the strongest month so far this year. Food and beverage revenue was \$2.4 million with a margin of 30%. Event revenues YTD are at 81% of the annual budget, above budget for this point of the year. Operating expenses are at 70% of the annual budget, slightly under YTD expectations.

	2018-19		3-year average		Food & Beverage		
	Events	Attendance	Events	Attendance	Revenue	Margin \$	Margin %
Mar	39	65,000	55	80,000	2,389,000	726,000	30%
YTD	355	510,000	412	485,000	13,018,000	3,364,000	26%
Budget					16,055,000	3,507,000	22%

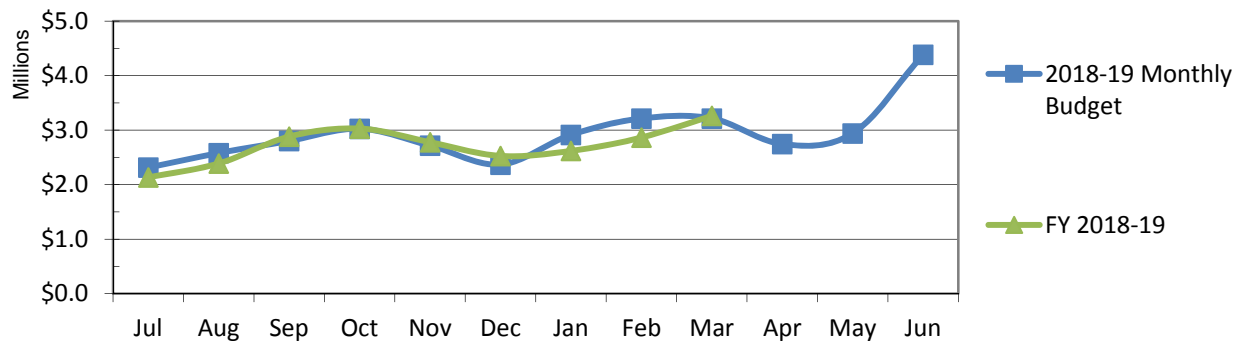
Highest Grossing Events	Current Month* Event Revenue	% of Event Revenue
2019 Nonprofit Technology Conference	\$982,961	22%
Association of Writers and Writing Programs	534,401	12%
Mass Timber Conference	430,177	10%
Oregon Governor's Safety & Health Conference	329,047	7%
All other Events	2,214,935	49%
Total Event Revenues	\$4,491,521	100%

*Note: If an event spans multiple months only revenue from the current month is shown here.

OCC Event Revenues: Charges for Services and Food & Beverage



OCC Operating Expenses: Personnel, Materials & Services and Food & Beverage



Portland's Centers for the Arts

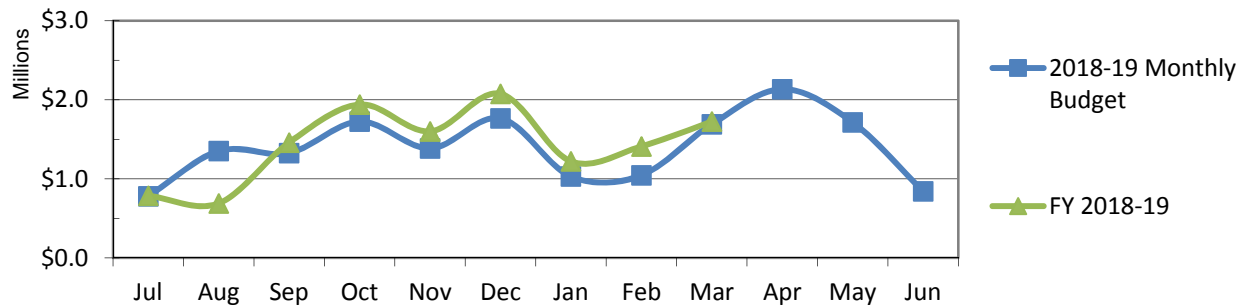
March event revenues were \$1.7 million, on par with the monthly budget goal. Food and beverage revenue had a stellar month with revenue of \$360,000 and a margin of 42%. Event revenues YTD are at 77% of the annual budget, above YTD expectations. Operating expenses are at 72% of the annual budget, in line with YTD expectations.

	2018-19		3-year average		Food & Beverage		
	Events	Attendance	Events	Attendance	Revenue	Margin \$	Margin %
Mar	112	110,000	114	110,000	359,000	151,000	42%
YTD	690	675,000	688	695,000	2,658,000	767,000	29%
Budget					3,451,000	807,000	23%

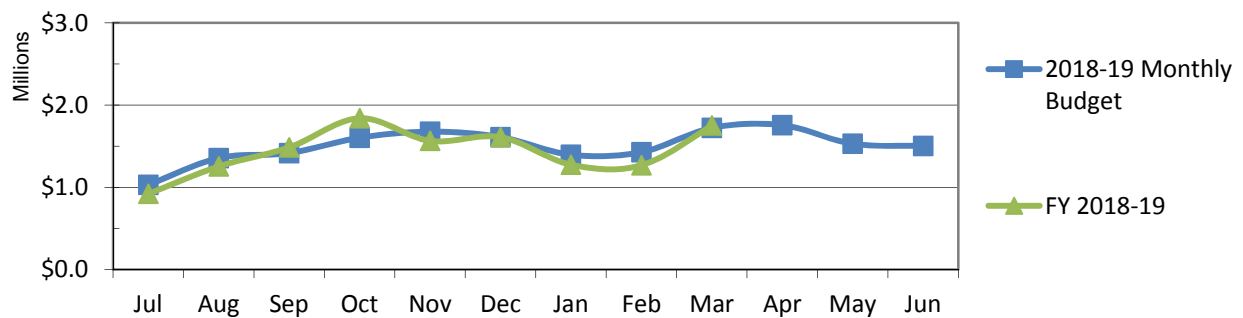
Highest Grossing Events	Current Month* Event Revenue	% of Event Revenue
Aladdin	\$320,177	19%
Come From Away	208,430	12%
Ali Wong	110,827	6%
Aziz Ansari	85,790	5%
All other Events	1,001,312	58%
Total Event Revenues	\$1,726,536	100%

*Note: If an event spans multiple months only revenue from the current month is shown here.

P5 Event Revenues: Charges for Services and Food & Beverage



P5 Operating Expenses: Personnel, Materials & Services and Food & Beverage



Portland Expo Center

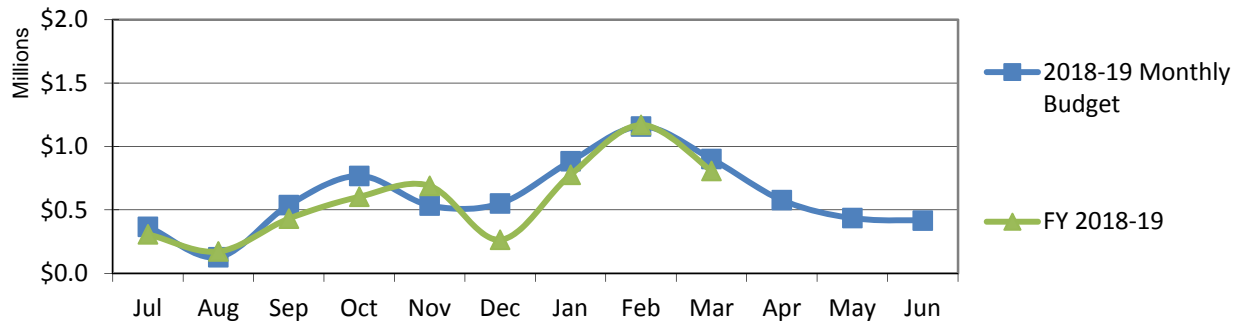
The spring continues its busy schedule at Expo, with event revenues of \$800,000. Food and beverage revenue was \$200,000 with a margin of 5%. Event revenues YTD are at 72% of the annual budget, below expectations due to lower food and beverage revenues. Operating expenses are at 69% of the annual budget, lower than expectations due to lower food and beverage expenses and vacancies.

	2018-19		3-year average		Food & Beverage		
	Events	Attendance	Events	Attendance	Revenue	Margin \$	Margin %
Mar	12	45,000	7	45,000	196,000	9,000	5%
YTD	90	335,000	100	350,000	1,509,000	102,000	7%
Budget					2,503,000	511,000	20%

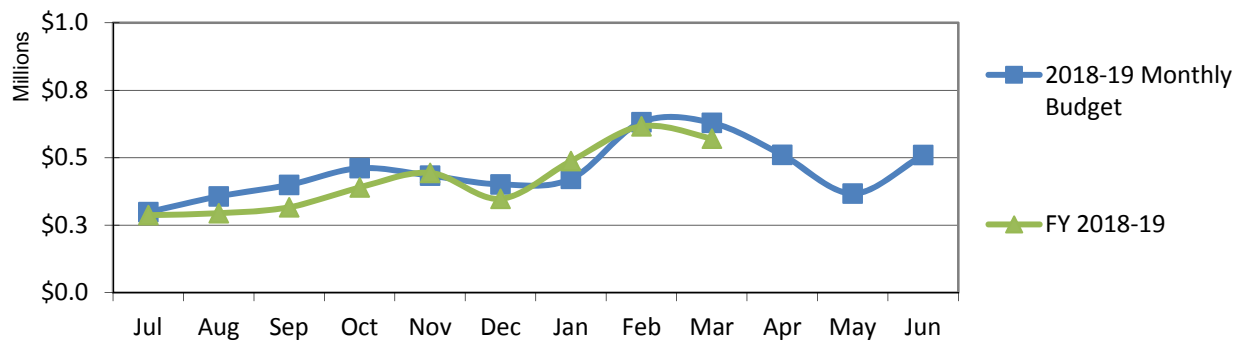
Highest Grossing Events	Current Month* Event Revenue	% of Event Revenue
Portland Metro Dealers Spring RV Show	\$245,398	30%
Portland Roadster Show	206,636	26%
America's Largest Antique & Collectible Show	139,270	17%
Rose City Gun and Knife Show	33,018	4%
All other Events	181,766	23%
Total Event Revenues	\$806,089	100%

*Note: If an event spans multiple months only revenue from the current month is shown here.

Expo Event Revenues: Charges for Services and Food & Beverage



Expo Operating Expenses: Personnel, Materials & Services and Food & Beverage



MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Venues

March 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	3,513,622	3,811,268	24,138,481	24,808,978	102.8%	31,605,196	78.5%
Food and Beverage Revenue	2,821,688	2,943,796	15,846,010	17,184,718	108.4%	22,008,213	78.1%
Local Government Shared Revenues	1,964,594	363,038	14,415,445	13,007,054	90.2%	16,123,536	80.7%
Contributions from Governments	-	923,843	-	923,843		911,677	101.3%
Contributions from Private Sources	-	-	300,000	-	0.0%	125,000	0.0%
Grants	-	-	138,861	43,996	31.7%	-	
Interest Earnings	84,118	100,551	546,283	868,646	159.0%	690,798	125.7%
Miscellaneous Revenue	20,230	24,565	118,334	108,841	92.0%	156,328	69.6%
Transfers-R	33,332	106,699	299,997	960,289	320.1%	1,280,389	75.0%
Total Revenues	8,437,584	8,273,760	55,803,410	57,906,364	103.8%	72,901,137	79.4%
Personnel Services	1,949,477	2,575,097	15,941,778	15,823,581	99.3%	23,137,224	68.4%
Materials and Services	1,510,399	1,052,564	13,004,185	13,154,369	101.2%	19,461,262	67.6%
Food & Beverage Services	2,004,974	2,057,889	12,419,997	12,951,449	104.3%	17,183,517	75.4%
Management Fee	299,126	195,093	1,914,935	1,755,833	91.7%	2,341,110	75.0%
Transfers-E	384,096	486,412	4,375,814	6,033,619	137.9%	7,606,244	79.3%
Total Expenditures	6,148,072	6,367,053	47,656,709	49,718,851	104.3%	69,729,357	71.3%
Net Operations	2,289,512	1,906,707	8,146,701	8,187,513		3,171,780	
Food & Beverage Margin \$	816,714	885,908	3,426,013	4,233,268		4,824,696	
Food & Beverage Margin %	29%	30%	22%	25%		22%	
Capital							
Total Revenues	4,712,500	2,005,869	14,546,040	2,771,744	19.1%	11,327,745	24.5%
Total Expenditures	759,508	4,187,271	5,589,675	19,856,841	355.2%	47,074,237	42.2%
Net Capital	3,952,992	(2,181,401)	8,956,365	(17,085,097)		(35,746,492)	
Change in Fund Balance	6,242,504	(274,695)	17,103,066	(8,897,584)		(32,574,712)	
Ending Fund Balance			75,526,906	52,915,485			

Note: Prior year revenues previously subject to excise tax have been adjusted to reflect gross revenue, not net of excise tax. A comparable Management Fee has been included in Materials and Services.

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Oregon Convention Center

March 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	1,413,562	1,833,348	10,351,990	10,843,767	104.8%	13,507,270	80.3%
Food and Beverage Revenue	2,070,122	2,388,845	11,330,018	13,018,492	114.9%	16,054,616	81.1%
Local Government Shared Revenues	1,747,474	324,719	13,043,336	11,634,142	89.2%	13,976,553	83.2%
Contributions from Private Sources	-	-	300,000	-	0.0%	-	-
Grants	-	-	88,861	43,996	49.5%	-	-
Interest Earnings	40,418	57,720	241,492	497,293	205.9%	300,000	165.8%
Miscellaneous Revenue	5,719	11,030	49,111	55,669	113.4%	28,828	193.1%
Transfers-R	(78,161)	-	(703,445)	-	0.0%	-	-
Total Revenues	5,199,134	4,615,662	34,701,363	36,093,358	104.0%	43,867,267	82.3%
Personnel Services	998,597	1,266,224	8,240,951	8,249,117	100.1%	11,973,782	68.9%
Materials and Services	669,302	334,066	6,349,098	6,583,848	103.7%	10,698,912	61.5%
Food & Beverage Services	1,397,522	1,663,066	9,008,549	9,654,456	107.2%	12,547,299	76.9%
Management Fee	243,048	156,487	1,512,698	1,408,380	93.1%	1,877,840	75.0%
Transfers-E	219,750	285,426	1,977,750	3,288,782	166.3%	4,170,065	78.9%
Total Expenditures	3,528,219	3,705,268	27,089,046	29,184,583	107.7%	41,267,898	70.7%
Net Operations	1,670,915	910,393	7,612,317	6,908,775		2,599,369	
Food & Beverage Margin \$	672,600	725,778	2,321,469	3,364,036		3,507,317	
Food & Beverage Margin %	32%	30%	20%	26%		22%	
Capital							
Total Revenues	4,000,000	1,277,439	12,269,932	1,779,905	14.5%	6,903,270	25.8%
Total Expenditures	517,807	3,928,314	2,477,873	16,907,667	682.3%	39,261,690	43.1%
Net Capital	3,482,193	(2,650,875)	9,792,059	(15,127,762)		(32,358,420)	
Change in Fund Balance	5,153,108	(1,740,482)	17,404,376	(8,218,987)		(29,759,051)	
Ending Fund Balance			42,428,614	31,645,370			

Note: Prior year revenues previously subject to excise tax have been adjusted to reflect gross revenue, not net of excise tax. A comparable Management Fee has been included in Materials and Services.

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's Centers for the Arts

March 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	1,538,822	1,367,347	9,959,965	10,254,875	103.0%	13,346,980	76.8%
Food and Beverage Revenue	509,016	358,596	2,577,117	2,657,682	103.1%	3,450,895	77.0%
Local Government Shared Revenues	217,120	38,319	1,372,109	1,372,912	100.1%	2,146,983	63.9%
Contributions from Governments	-	923,843	-	923,843		911,677	101.3%
Contributions from Private Sources	-	-	-	-		125,000	0.0%
Interest Earnings	30,184	27,729	177,116	245,466	138.6%	225,000	109.1%
Miscellaneous Revenue	2,840	(1,348)	41,820	17,292	41.3%	89,000	19.4%
Transfers-R	(40,519)	-	(364,669)	-	0.0%	-	
Total Revenues	2,257,463	2,714,486	13,763,458	15,472,070	112.4%	20,295,535	76.2%
Personnel Services	693,697	991,242	5,531,690	5,749,814	103.9%	8,488,561	67.7%
Materials and Services	667,017	552,863	5,175,813	5,334,013	103.1%	6,901,417	77.3%
Food & Beverage Services	337,473	207,707	1,865,953	1,890,450	101.3%	2,644,320	71.5%
Transfers-E	110,177	137,260	991,593	1,235,342	124.6%	1,647,114	75.0%
Total Expenditures	1,808,364	1,889,072	13,565,049	14,209,619	104.8%	19,681,412	72.2%
Net Operations	449,099	825,414	198,409	1,262,451		614,123	
Food & Beverage Margin \$	171,543	150,889	711,164	767,233		806,575	
Food & Beverage Margin %	34%	42%	28%	29%		23%	
Capital							
Total Revenues	-	500,000	48,290	642,795	1331.1%	3,067,813	21.0%
Total Expenditures	236,499	134,655	1,889,735	1,974,509	104.5%	5,944,367	33.2%
Net Capital	(236,499)	365,345	(1,841,445)	(1,331,714)		(2,876,554)	
Change in Fund Balance	212,600	1,190,759	(1,643,036)	(69,263)		(2,262,431)	
Ending Fund Balance			11,240,961	12,035,582			

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland Expo Center

March 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	561,238	610,573	3,826,526	3,710,337	97.0%	4,750,946	78.1%
Food and Beverage Revenue	242,550	196,356	1,938,874	1,508,544	77.8%	2,502,702	60.3%
Interest Earnings	3,010	4,138	20,457	39,238	191.8%	35,000	112.1%
Miscellaneous Revenue	11,671	14,883	27,403	35,880	130.9%	38,500	93.2%
Transfers-R	33,333	33,333	299,997	299,997	100.0%	400,000	75.0%
Total Revenues	851,802	859,283	6,113,257	5,593,995	91.5%	7,727,148	72.4%
Personnel Services	167,997	238,598	1,420,269	1,315,724	92.6%	1,953,278	67.4%
Materials and Services	158,907	144,746	1,175,496	1,031,374	87.7%	1,475,736	69.9%
Food & Beverage Services	269,979	187,115	1,545,495	1,406,544	91.0%	1,991,898	70.6%
Management Fee	56,078	38,606	402,237	347,452	86.4%	463,270	75.0%
Transfers-E	53,984	57,814	1,399,306	1,454,151	103.9%	1,715,798	84.8%
Total Expenditures	706,945	666,879	5,942,803	5,555,245	93.5%	7,599,980	73.1%
Net Operations	144,857	192,404	170,454	38,750		127,168	
Food & Beverage Margin \$	(27,429)	9,240	393,379	101,999		510,804	
Food & Beverage Margin %	-11%	5%	20%	7%		20%	
Capital							
Total Revenues	712,500	228,430	2,227,818	349,044	15.7%	1,356,662	25.7%
Total Expenditures	5,202	124,302	1,222,067	974,666	79.8%	1,868,180	52.2%
Net Capital	707,298	104,128	1,005,751	(625,622)		(511,518)	
Change in Fund Balance	852,155	296,532	1,176,205	(586,872)		(384,350)	
Ending Fund Balance			3,118,151	2,652,320			

Note: Prior year revenues previously subject to excise tax have been adjusted to reflect gross revenue, not net of excise tax. A comparable Management Fee has been included in Materials and Services.

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

MERC Administration

March 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Grants	-		50,000				
Interest Earnings	10,506	10,964	107,218	86,649	80.8%	130,798	66.2%
Transfers-R	118,679	73,366	1,068,114	660,292	61.8%	880,389	75.0%
Total Revenues	129,185	84,330	1,225,332	746,940	61.0%	1,011,187	73.9%
Personnel Services	89,186	79,033	748,868	508,925	68.0%	721,603	70.5%
Materials and Services	15,173	20,889	303,778	205,134	67.5%	385,197	53.3%
Transfers-E	185	5,912	7,165	55,344	772.4%	73,267	75.5%
Total Expenditures	104,544	105,834	1,059,811	769,403	72.6%	1,180,067	65.2%
Net Operations	24,641	(21,504)	165,521	(22,463)		(168,880)	
Capital							
Total Revenues	(4,712,500)	-	(14,137,500)	-			
Change in Fund Balance	(4,687,859)	(21,504)	(13,971,979)	(22,463)		(168,880)	
Ending Fund Balance			4,601,680	6,582,212			

MERC Food and Beverage Margins

March 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date	Annual Budget
Convention Center Operating Fund					
Food and Beverage Revenue	2,070,122	2,388,845	11,330,018	13,018,492	16,054,616
Food & Beverage Services	1,397,522	1,663,066	9,008,549	9,654,456	12,547,299
Food and Beverage Gross Margin	672,600	725,778	2,321,469	3,364,036	3,507,317
Food and Beverage Gross Margin %	32.49%	30.38%	20.49%	25.84%	21.85%
Portland'5 Centers for the Arts Fund					
Food and Beverage Revenue	509,016	358,596	2,577,117	2,657,682	3,450,895
Food & Beverage Services	337,473	207,707	1,865,953	1,890,450	2,644,320
Food and Beverage Gross Margin	171,543	150,889	711,164	767,233	806,575
Food and Beverage Gross Margin %	33.70%	42.08%	27.60%	28.87%	23.37%
Expo Fund					
Food and Beverage Revenue	242,550	196,356	1,938,874	1,508,544	2,502,702
Food & Beverage Services	269,979	187,115	1,545,495	1,406,544	1,991,898
Food and Beverage Gross Margin	(27,429)	9,240	393,379	101,999	510,804
Food and Beverage Gross Margin %	-11.31%	4.71%	20.29%	6.76%	20.41%
MERC Fund Total					
Food and Beverage Revenue	2,821,688	2,943,796	15,846,010	17,184,718	22,008,213
Food & Beverage Services	2,004,974	2,057,889	12,419,997	12,951,449	17,183,517
Food and Beverage Gross Margin	816,714	885,908	3,426,013	4,233,268	4,824,696
Food and Beverage Gross Margin %	28.94%	30.09%	21.62%	24.63%	21.92%

Note: Prior year revenues previously subject to excise tax have been adjusted to reflect gross revenue, not net of excise tax. A comparable Management Fee has been included in Materials and Services.

**MERC Visitor Venues
Events-Performances-Attendance
FY 2018-19**

OCC	March 2016		March 2017		March 2018		March 2019		Net Change from Prior Year		March 2019	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Tradeshows/Conventions	7	34,377	13	41,266	12	27,515	8	44,191	(4)	16,676	3,102,733	76%
Consumer Public Shows	2	27,748	7	45,599	5	35,237	1	10,600	(4)	(24,637)	143,456	4%
Miscellaneous									-	-	2,308	0%
Miscellaneous -In-House	12	302	23	398	19	512	15	333	(4)	(179)	15,676	0%
Meetings	9	2,622	17	9,671	22	5,984	13	6,719	(9)	735	507,431	12%
Catering	5	3,593	5	2,692	7	4,933	2	1,420	(5)	(3,513)	322,229	8%
Totals	35	68,642	65	99,626	65	74,181	39	63,263	(26)	(10,918)	\$ 4,093,833	100%

Expo Center	March 2016		March 2017		March 2018		March 2019		Net Change from Prior Year		March 2019	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Consumer Public Shows	4	43,869	5	47,294	6	45,552	9	44,935	3	(617)	745,880	96%
<i>Cirque Du Soleil</i>	-	-	-	-	-	-	-	-	-	-	-	0%
Miscellaneous	1	15	-	-	1	15	1	-	-	(15)	9,037	1%
Meetings	-	-	1	16	1	35	1	20	-	(15)	1,150	0%
Catering	-	-	-	-	-	-	-	-	-	-	-	0%
Tradeshows/Conventions	1	2,110	-	-	1	2,431	1	800	-	(1,631)	19,042	2%
Totals	6	45,994	6	47,310	9	48,033	12	45,755	3	(2,278)	\$ 775,109	100%
Totals w/Cirque du Soleil	6	45,994	6	47,310	9	48,033	12	45,755	3	(2,278)	\$ 775,109	100%

Portland '5	March 2016		March 2017		March 2018		March 2019		Net Change from Prior Year		March 2019	
	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Revenue	% of Rev.
Commercial (Non-Broadway)	6	14,080	10	11,605	3	6,826	12	24,639	9	17,813	653,398	39%
Broadway	8	18,990	12	31,616	22	62,312	13	35,538	(9)	(26,774)	544,036	32%
Resident Company	27	19,987	26	18,835	38	39,798	36	25,198	(2)	(14,600)	267,482	16%
Non-Profit	29	12,659	30	12,297	17	10,046	19	9,132	2	(914)	135,260	8%
Promoted/ Co-Promoted	4	2,196	7	5,318	4	1,563	3	1,034	(1)	(529)	58,618	3%
Student	36	28,481	34	15,073	28	14,631	27	13,992	(1)	(639)	4,973	0%
Miscellaneous	-	-	-	-	2	42	2	281	-	239	27,946	2%
Totals	110	96,393	119	94,744	114	135,218	112	109,814	(2)	(25,404)	\$ 1,691,713	100%

OCC Capital Project Status Report FY 2018-19

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete

Project Title	Management	Phase	Budget	Actual	Remaining
Plaza, Entries and Interior Renovations	cPMO	Construction	29,030,000	13,007,636	16,022,364
Cooling System Rplcmnt	cPMO	In Progress	2,900,000	1,460,563	1,439,437
Lighting Control System	cPMO	In Progress	2,255,000	867,249	1,387,751
Chair Replacement	Venue	In Progress	1,300,000	-	1,300,000
Orbit Café Improvements	cPMO	Design	793,000	174,193	618,807
Waterproofing: Tower/Crown Glazing	cPMO	Design	500,000	3,435	496,565
Elevator Upgrades	Venue	Complete	375,000	310,187	64,813
Integrated Door Access Controls	cPMO	In Progress	306,000	120,311	185,689
Exterior Waterproofing	cPMO	Complete	250,000	174,302	75,698
Portable Ticketing Kiosks Purchase	Venue	On hold	250,000	-	250,000
Dragon Café HVAC & Space Mods	cPMO	Design	275,000	60,264	214,736
Office Renovations	cPMO	Design	80,000	-	80,000
Rain Garden Updates	Venue	On hold	80,000	-	80,000
Key Management System Upgrade	Venue	On hold	75,000	-	75,000
Parking Pay on Foot Stations	Venue	Cancelled	29,000	-	29,000
Water Heater Replacement	cPMO	In Progress	50,000	10,310	39,691
A/V Equipment	Venue	Complete	150,000	139,340	10,660
WiFi & Show Network Upgrades	Venue	Complete	120,000	25,499	94,501
Alerton Upgrades	Venue	In Progress	60,000	23,782	36,218
<i>Costs related to projects budgeted in FY17-18</i>					-
Point of Sale	IS	Complete	-	160,589	(160,589)
CCTV Replacement (R & R)	cPMO	Complete	-	183,995	(183,995)
Total			38,878,000	16,721,652	22,156,348
% of Budget				43%	57%

Project Phase Totals	# of Proj	% of Total
Projects in Planning or Design phases	4	19%
Projects in Contracting or Construction/In Progress phases	7	33%
Completed Projects	6	29%
On-hold or Cancelled Projects	4	19%
	21	

P5 Capital Project Status Report FY 2018-19

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete

Project Title	Management	Phase	Budget	Actual	Remaining
ASCH Acoustical Enhancements	cPMO	Design	2,195,000	62,255	2,132,745
AHH Roof	cPMO	Design	897,000	29,855	867,145
Keller Electrical Infrastructure Update	Venue	Complete	760,000	1,072,573	(312,573)
KA Generator Fuel Storage	Venue	Design	350,000	6,686	343,315
Keller café	Venue	Design	350,000	4,425	345,575
ASCH Piano Replacement	Venue	Planning	200,000	-	200,000
Newmark Main Speakers	Venue	Design	200,000	-	200,000
KA Camera/Security System	cPMO	In Progress	200,000	32,535	167,465
Newmark Piano Replacement	Venue	Planning	150,000	-	150,000
Voice over Internet Protocol (VoIP)	IS	Complete	110,000	109,893	107
KA Fall Arrest	Venue	Planning	100,000	-	100,000
ASCH FOH Elevators Overhaul	cPMO	Complete	60,000	113,397	(53,397)
ASCH Broadway and Park Marquees	cPMO	Design	50,000	4,982	45,018
ASCH BOH Elevators Overhaul	cPMO	Complete	80,000	117,104	(37,104)
AHH/ASCH/Keller ADA signage	Venue	Design	30,000	-	30,000
ASCH Roof Drains	cPMO	Cancelled	-	-	-
Portable Concession Kiosks	Venue	Cancelled	-	-	-
ASCH Chamber Lighting	cPMO	Cancelled	-	-	-
ArtBar/Lobby Furniture Replacement	Venue	Cancelled	-	-	-
ASCH Cooling Airflow Study	cPMO	Cancelled	-	-	-
AHH Stage door area rebuild	cPMO	Cancelled	-	-	-
<i>Costs related to projects budgeted in FY17-18</i>					
Point of Sale	IS	In Progress	-	144,370	(144,370)
Total			5,732,000	1,698,075	4,033,925
% of Budget				30%	70%

Project Phase Totals	# of Proj	% of Total
Projects in Planning or Design phases	10	45%
Projects in Contracting or Construction/In Progress phases	2	9%
Completed Projects	4	18%
On-hold or Cancelled Projects	6	27%
	22	

Expo Capital Project Status Report FY 2018-19

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete

Project Title	Management	Phase	Budget	Actual	Remaining
Hall C Refurbishment	cPMO	Cancelled	300,000	-	300,000
Lower Parking lot 1 Improvements	cPMO	Design	200,000	-	200,000
Voice over Internet Protocol (VoIP)	IS	Complete	198,000	199,784	(1,784)
Show Net	IS	Complete	165,000	83,446	81,554
Security Cameras / Access Controls	cPMO	Complete	157,138	113,048	44,090
Lighting Control review/install - Halls ABCDE	cPMO	On Hold	150,000	8,775	141,225
Hall E Flat Roof	cPMO	Planning	150,000	-	150,000
Halls ABCDE HVAC Controls Replacement	Venue	Contracting	60,000	-	60,000
Parking Lot Asphalt Maintenance - 2019	cPMO	In Progress	60,000	-	60,000
Security Gates and Fencing	cPMO	In Progress	42,000	38,586	3,414
UP4 New Storage Building	cPMO	Cancelled	15,000	-	15,000
Expo Website Update	Venue	Delayed	40,000	-	40,000
Facility Wide Door review / install / security	Venue	Planning	20,000	-	20,000
Hall A Carpet Paint	Venue	Planning	10,000	-	10,000
Hall C Roof Recoat	cPMO	Cancelled	-	-	-
Costs related to projects budgeted in FY17-18					
Connector Glass Door	cPMO	Complete	-	111,749	(111,749)
Halls D & E Roof Replacement (R&R)	cPMO	Complete	-	46,562	(46,562)
PGE Upgrades	cPMO	Complete	-	125,090	(125,090)
Aramark Point of Sale System Replacement	IS	In Progress	-	101,116	(101,116)
Total			1,567,138	828,155	738,983
% of Budget				53%	47%

Project Phase Totals	# of Proj	% of Total
Projects in Planning or Design phases	4	22%
Projects in Contracting or Construction/In Progress phases	4	22%
Completed Projects	6	33%
On-hold or Cancelled Projects	4	22%
	18	

MERC Commission Meeting

May 1, 2019

Venue Business Reports



MERC Commission Written Report for May 1st 2019 Meeting
Portland Expo Center – Matthew P. Rotchford, Executive Director

Staff News

- *Open* – (1) FT Utility Lead, (.5) Temp PT Utility Lead, (1) PT Parking Manager.
- The Expo Center hosted the Metro ReUse event on April 25th
- New custodial hires (FOTA / Expo Hiring Event) are doing a great job.
- Chris Fruhling, FT Event Manager to attend IAVM Regional IV in Boise, ID.
- Utility Lead, Art Jenkins to be featured in a DEI video from Metro...
- Staff will again be taking part in the Kenton Street Fair in May.

Events / Sales Awareness

- A great addition to April was the DSU Truck Expo and Tradeshow
- Upcoming events of note are the Columbia Empire Volleyball Association (CEVA Regional Championships), NW Fire and Rescue Tradeshow, and multiple Portland Public Schools testing. In addition, we are pleased to welcome the Islamic Prayer Service for Eid al fitr.
- Looking forward, Q4 will host – Mecum Auto Auction, Tuner Evolution and the Exxxotica Expo – all keeping staff busy.

Building / Department Awareness

- TriMet negotiations continue for Park and Ride agreement in lower lots and local parking needs – ODOT, West Coast – are providing ancillary income.
- A number of security break-in's and vandalism within Q3 time period. Working with Nighthawk Security, Metro and PPD to address and train staff.

Capital Project Updates

- POS (Appetize) rollout scheduled for Q4
- Security Fencing completed on Port of Portland / Metro border.
- Greenwall plaza has been seeing new uses by events and has a new duck family!
- Capital AV purchases will further support our drive-in event and other events.
- Resolve Architecture will begin its initial phase-one work on the Lower Lot 1 review.

Partnerships / Community

- As a supporter and partner of the activities taking place for Vanport Mosaic – we celebrate all things Vanport and remembrances of Japanese Americans interned at the Portland Assembly Center over Memorial Day weekend.
- Thanks to the Glendoveer team for access and use of an F&B golf cart during the Portland Swap Meet. Unfortunately, the elephant ear cart during CEVA could not be attained – this time – we will keep at it.
- Partnership meeting with the Portland Urban Beekeepers begins in May – stay tuned!
- PDX Drive-In Spectacular planning and marketing efforts underway – partnering with Hollywood Theatre and Movie Madness.



PORTLAND'5

CENTERS FOR THE ARTS



MERC Business Report Portland'5

Robyn Williams, Nike Greene and Imani Burris just returned from the GARE (Government Alliance for Racial Equity) conference in Albuquerque. GARE's mission is to create policies and practices that help governments transform to support racial equity. Portland'5 will begin drafting their racial equity plan soon so the information received from this conference will be invaluable.

P5 executive team participated in some early training around process improvement. This is an initiative P5 hopes to push through all levels of the organization. Some of the team have attended in-depth training in advance and shared some of the new ideas they had to improve their day to day work.

Music on Main is fully booked with all new bands! There is something for everyone this summer. Almost \$30,000 in sponsorship has been raised to cover the cost of the bands, sound equipment, etc. Stay tuned for the formal roll out!!

Portland'5 Presents continues to work on booking acts for the 19/20 season. Highlights thus far include the return of Black Violin, Hip Hop Nutcracker and the National Geographic Live series. Subscriptions for the series are open now. It is our best Nat Geo series ever. Four of the five scientists featured are women as we promote women and girls in science!

P5 recently celebrated National Volunteer Week with special thank you's to our volunteers and treats before their shifts. In the first quarter this year, volunteers logged 8600 hours and saved our arts clients almost \$165,000!

The Portland'5 Foundation is once again launching "503 Day". The "503" symbolizes our 5 theaters in 3 buildings as well as our zip code. The goal is 503 donors giving a minimum of \$20. Type portland5.org/503day into your browser and make a donation!!

Round 2 of Spanish classes are taking place at P5. When the Travel Oregon grant was finished P5 found an instructor who would teach classes at the same low price. Staff are working hard to be a more welcoming venue for our Latino and Hispanic patrons and clients!

PORTLAND'S CENTERS FOR THE ARTS



Black History and Women's History was celebrated at P5 in April with a community luncheon featuring some iconic African American Women who shared their stories with staff, community members and some students.



Hobbs Waters will be P'5 featured artist for May. Hobbs is an accomplished musician, dancer and artist whose work was seen by staff during a small art exhibit associated with As One. At 12 years, Hobbs is the youngest artist to show at P5.



MERC Monthly Business Report
May 1

COMPLETED EVENTS

March saw the busiest month on record at OCC. Not only from an enterprise revenue perspective, but from the renovation perspective as well. OCC brought in over \$4.1 million in revenue through six separate conventions. Nonprofit Technology Conference had 2,345 attendees and total revenue of \$982,263 with over \$725,000 of that in food and beverage. The client made it clear from the beginning that this group of technology attendees needed three things: great internet, a lot of coffee and attentive service. OCC and pacificwild teammates came through as noted by the client's comments that Portland and OCC performed so well, they want to return in 2023.

The Mass Timber Conference showed significant growth in both attendees and revenues. Attendance increased more than 100% to 1,700 attendees, and revenues jumped from \$224,980 to \$433,337.

CURRENT PROJECTS

Colas has begun demolition of the Oregon Ballroom level. Starting April 1, crews stripped the ballroom and restrooms to bare walls and metal studs. This third phase is scheduled to complete early October and is the last major phase of construction. Pre-function C returned to service in time to host our current event, the Society for Gastroenterology Nurses. Crews continue to make steady progress on the Sapporo Peace Bell's new home on the south end of the venue. OCC looks forward to the rededication of the bell on June 6.

FACILITY WIDE

OCC is in the process of awarding contracts for two separate internal assessments:

- 1.) OCC will use Safety NW to complete an Occupational Health and Safety Assessment of the facility and its practices. This includes a complete assessment of safe work practices, assessment of facilities and grounds, and assessment of workload and resources. Upon completion, Safety NW will provide OCC with a full written report. This will include the results of all assessments as well as risk-based and prioritized recommendations to address identified safety conditions or opportunities. OCC anticipates this work to begin within the next four to six weeks and complete later this summer.
- 2.) OCC will use Corragio Group, LLC, to complete an Organizational and Workplace Cultural Assessment for the Operations department. They will research and gain an understanding of the existing workplace culture in the Set-Up and Operations team, focusing on employee engagement and value interactions between staff and management; communication methods between workers and various levels of leadership and other departments; and determine if the current team structure and work assignment supports achieving the mission and completing the work. Upon completion, they will provide a written report of prioritized recommendations to improve workplace culture and the assessment objectives. OCC anticipates this work to begin within the next four to six weeks and complete later this summer.

MERC Commission Meeting

May 1, 2019
12:30pm

Consent Agenda

Metropolitan Exposition Recreation Commission

Record of MERC Commission Actions

April 3, 2019

Brunish Theatre

Present:	Karis Stoudamire-Phillips, John Erickson, Deidra Krys-Rusoff, Damien Hall, Ray Leary
Absent:	Deanna Palm, Dañel Malán
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order by Chair Karis Stoudamire-Phillips at 12:44 p.m.
1.0	Quorum Confirmed A quorum of Commissioners was present.
2.0	Opportunity for Public Comment on Non-Agenda items None.
3.0	Commission and Council Communications <ul style="list-style-type: none"> • Councilor Lewis shared a Construction Career Pathways Project update prior to next month’s presentation. • Commissioner Leary acknowledged former Metro employee David Fortney’s contribution to the C2P2 project. • Commissioner Krys-Rusoff shared that she attended the Portland Council meeting and listened to Jeff Miller’s Travel Portland presentation. She noted that it was very well received.
4.0	GM Communications <ul style="list-style-type: none"> • The P5 staff was acknowledged and thanked for recently organizing a staff event celebration combining Black History and Women’s History. • Portland City Club invited Metro President Lynn Peterson to share thoughts and ideas for solutions to the biggest challenges in our region on Friday, April 19. • Please save the date for the Portland Sapporo Sister City Association Bell Rededication at the Oregon Convention Center on Thursday, June 6 from 4:30 to 5:45 p.m. • Riley Hartman, food and beverage manager for Expo has been promoted by Aramark and will be food and beverage general manager at P’5. • If you plan on attending an upcoming Customer Advisory Board dinner taking place April 24th or 25th please remember to RSVP to Jeff Miller’s invite from a few weeks ago. • Commissioner Krys-Rusoff commented on the written financial report praising OCC for their February revenues and Expo’s positive F&B. • Krys-Rusoff asked Cruickshank if we are still on track with capital projects. He answered yes, we are in the 40th percentile year to date. We may have some delays with the Keller roof project.
5.0	Venue Business Reports Brian Wilson from P’5, Craig Stroud and Matthew P. Rotchford reported on business at the venues during the past month. <ul style="list-style-type: none"> • Commissioner Krys-Rusoff suggested Expo arrange for coffee sales at the upcoming AP testing for Portland Public Schools. • Krys-Rusoff asked Stroud if the construction will reduce OCC’s numbers over the next several months. Craig noted that March will likely be their strongest month and staff have excelled in balancing the work. • Stoudamire-Phillips asked what will be done with the chairs OCC will be replacing. Stroud answered that some will be offered to partner agencies, some will be recycled, and some will be auctioned off.
6.0	Consent Agenda <ul style="list-style-type: none"> • Record of MERC Actions, March 6, 2019

	<p>A motion was made by Commissioner Erickson and seconded by Commissioner Kryz-Rusoff to approve the Consent Agenda.</p> <p>VOTING: AYE: 5 (Stoudamire-Phillips, Erickson, Kryz-Rusoff, Hall and Leary) NAY: 0 MOTION PASSED</p>
7.0	<p>Mortenson Construction Social Equity Update</p> <p>A report was presented by Mike Clifford, Pat Clemons and Andrea Cornette, Mortenson Construction</p> <ul style="list-style-type: none"> • Commissioner Kryz-Rusoff asked if there is an effort to reach out to women and people of color to get involved with the craft trades. Mike noted that they do in several ways including partnering with schools and offering mentorship programs. It was noted that the traditional pipelines are changing and they are working with partners to create new ones. • Leary asked if the occupancy availability in September will be a soft opening. Mike answered no, and clarified that it is a certificate of occupancy issued by the city. It is not the financial closing of the project. • Kryz-Rusoff noted it was great to see how much work has been completed since the last presentation. • Erickson acknowledged the great work around the timing and scheduling of the opening. • Leary was encouraged by the numbers produced despite market dynamics and a limited labor force. • Brian Wilson asked about the punch list numbers. Pat noted their goal is zero but they averaged 2 items per room.
8.0	<p>Executive Session</p> <p>Chair Stoudamire-Phillips called the MERC Commission into Executive Session to conduct deliberations with persons designated by the Commission to carry on labor negotiations under ORS 192.660(2)(d).</p>
	<p>As there was no further business to come before the Commission, the meeting was adjourned at 2:30 p.m.</p>

MERC Commission Meeting

May 1, 2019
12:30pm

Action Agenda

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 19-04

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Budget for FY2019-20, and requesting amendment of the FY 2019-20 through FY 2023-24 Capital Improvement Plan (CIP).

WHEREAS, Metro Code 6.01.050 provides that MERC shall annually prepare and approve an annual budget which shall, to the maximum extent permitted by law, consist of one commission-wide series of appropriations; and

WHEREAS, MERC previously approved and transmitted to the Metro Council the fiscal year 2019-20 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the Proposed Budget for fiscal year 2019-20 for the reasons described in the attached Staff Report.

BE IT THEREFORE RESOLVED THAT,

1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020 for inclusion as part of the total Metro budget for this period.
2. MERC requests that the Metro COO present these amendments to the Proposed Budget to the Metro Council for ratification.

Passed by the Commission on May 1, 2019.

Approved as to Form:
Nathan A. S. Sykes, Acting Metro Attorney

Chair

Secretary/Treasurer

By:

Nathan A. S. Sykes, Acting Metro Attorney

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council a FY 2019-20 Budget and Capital Improvement Plan (CIP) amendment to the MERC Fund.

Resolution No: 19-04

Presented By: Rachael Lembo, MERC Finance Manager

Date: May 1, 2019

Background and Analysis:

CIP Amendment – Oregon Convention Center

The following amendments are budget adjustments in existing projects:

Exterior Waterproofing: Tower/Crown Glazing

- Total project budget: Increase from \$575,000 to \$700,000
- FY19-20 budget appropriation change: Increase of \$100,000

The Facility Condition Assessment found multiple locations around the Convention Center with evidence of water intrusion/damage. This will be addressed through multiple projects, which began in FY17-18. This particular project will address the spires and crescent, which have multiple points of water intrusion due to failed sealants over time. This project will reglaze tower glass to prevent future water intrusion. The updated budget increases contingency as bids have not yet been received on this project, and construction is expected to begin summer 2019. This project is funded by the FY18-19 projected operating surplus in excess of the budgeted amount.

Major Renovation

- Total project budget: Increase from \$39,050,000 to \$39,550,000
- FY19-20 budget appropriation change: Increase of \$500,000

The major renovation of the Oregon Convention Center includes the Oregon Ballroom, MLK lobby, prefunction areas and exterior plaza. Construction is approximately halfway complete as of April 2019. While construction so far has been successfully managed around events and unexpected items have been addressed within the existing budget and contingency funds, schedule pressure will increase this summer with significant work in the Oregon Ballroom and a tight construction schedule with no allowable schedule slippage due to existing client bookings in the ballroom immediately after scheduled construction completion and with no available OCC space alternatives. To provide flexibility for possible overtime, contractor incentives and creative solutions, OCC proposes to increase the overall contingency budget by \$500,000, just over 1% of total project budget. This increase will be funded by the FY18-19 projected operating surplus in excess of the budgeted amount.

FY 2019-20 Budget Impact

Project Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Project Budget
Beginning Fund Balance		\$ 17,500,000	\$ 600,000	\$ 18,100,000	
Resource increase			\$ 600,000		
Waterproofing: Tower/Crown Glazing	8R222	\$ 400,000	\$ 100,000	\$ 500,000	\$ 700,000
Major Renovation	8R082	10,230,000	500,000	10,730,000	39,550,000
Requirement increase			\$ 600,000		

CIP Amendment – Portland’s Centers for the Arts

The following amendment is a budget adjustment due to a new project:

Keller Stage Cooling

- Total project budget: \$2,000,000
- FY19-20 budget appropriation change: Increase of \$2,000,000

This spring the Keller Auditorium chiller and HVAC system have struggled to keep the stage the appropriate temperature during performances. While immediate short-term solutions are underway, a more significant long-term solution is necessary. This project is a priority and will be funded by delaying other projects and a projected operating surplus in FY18-19. The total project budget is a rough order of magnitude estimate, as design and engineering work have not yet begun.

The following amendments are budget adjustments in existing projects:

Arlene Schnitzer Concert Hall Broadway and Park Marquees

- Project defunded
- FY19-20 budget appropriation change: Decrease of \$500,000

This project will be defunded from the current CIP to allow funds to be used for the Keller Stage Cooling project. In addition, a required historic land use review, would have delayed construction until summer 2020. P5 will continue to work through design and add it back to the CIP when funding allows.

Keller Auditorium Sound Reinforcement

- Project defunded
- FY19-20 budget appropriation change: Decrease of \$400,000

This project will be defunded from the current CIP to allow funds to be used for the Keller Stage Cooling project. This project, which would replace speakers, sound console and related components at the Keller, will be added back to the CIP when funding allows.

The following amendment is a timing adjustment on the five-year CIP schedule:

Keller Auditorium Elevator Modernizations

- Total project budget: \$800,000 (no change)
- FY19-20 budget appropriation change: Increase of \$250,000

The Keller Auditorium (KA) has multiple elevators scheduled for modernization. P5 has identified a window of time this summer that can accommodate the upgrade of the back of house elevator, and is shifting \$250,000 from FY20-21 to allow the work to begin in FY19-20. This timing shift will reduce the contingency in FY19-20.

FY 2019-20 Budget Impact

Project Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Project Budget
Beginning Fund Balance		\$ 9,965,000	\$ 1,100,000	\$ 11,065,000	
Resource increase			\$ 1,100,000		
KA Stage Cooling	8R247	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
ASCH Broadway and Park Marquees	8R220	500,000	(500,000)	0	0
KA Sound Reinforcement	8R241	400,000	(400,000)	0	0
KA Elevator Modernizations	8R175	0	250,000	250,000	800,000
Contingency		5,510,787	(250,000)	5,260,787	
Requirement increase			\$ 1,100,000		

CIP Amendment – Portland Expo Center

The following amendments are timing adjustments on the five-year CIP schedule:

Hall E Flat Roof

- Total project budget: \$150,000 (no change)
- FY19-20 budget appropriation change: Increase of \$150,000

This project will utilize the product remaining from Hall D and E roof restoration on the Hall E flat roof. Due to the type of work required for this roof maintenance, Expo was unable to use the on-call contractor and complete work this spring. This project will be carried forward to FY19-20 with intent to complete in spring 2020.

Lighting Controls

- Total project budget: \$170,000 (no change)
- FY19-20 budget appropriation change: Increase of \$161,000

This project will upgrade Expo’s lighting control system to improve electrical efficiency and reduce electrical costs. Options were explored this year, and Expo intends to release an RFP this summer to select a system and install in FY19-20.

Both items are funded by beginning fund balance, as these funds will not be spent as budgeted in FY18-19.

FY 2019-20 Budget Impact

Project Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Project Budget
Beginning Fund Balance		\$ 2,470,000	\$ 311,000	\$ 2,781,000	
Resource increase			\$ 311,000		
Hall E Flat Roof	8R234	\$ 0	\$ 150,000	\$ 150,000	\$ 150,000
Lighting Controls	8R169	0	161,000	161,000	170,000
Requirement increase			\$ 311,000		

Fiscal Impact: This action will amend the FY 2019-20 Adopted Budget as shown above. The revised five-year CIP is included as Attachment 1.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 19-04.

**Oregon Convention Center
CIP Summary
Fiscal Year 2020**

Department: OCC	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total	Prior Years	Total Project
CONVENTION CENTER OPERATING FUND								
Master Plan Renovation	10,730,000	-	-	-	-	10,730,000	28,820,000	39,550,000
Chair Replacement	2,800,000	-	-	-	-	2,800,000	-	2,800,000
Staff Support Area Programming: King BR/Admin	690,000	-	-	-	-	690,000	80,000	770,000
Staff Support Area Programming: Guest Services	-	1,165,000	-	-	-	1,165,000	-	1,165,000
Tower/Crown Glazing	500,000	160,000	-	-	-	660,000	40,000	700,000
Table Replacement	375,000	-	-	-	-	375,000	-	375,000
Water Heater Replacement	350,000	-	-	-	-	350,000	50,000	400,000
Audio Visual Equipment	450,000	150,000	150,000	150,000	150,000	1,050,000	-	1,050,000
Integrated Door Access Controls	250,000	-	-	-	-	250,000	260,000	510,000
Waterproofing: Rain Garden	250,000	-	-	-	-	250,000	60,000	310,000
Vertical Transportation: Elevator Door & Operator	250,000	-	-	-	-	250,000	-	250,000
OCC - Lighting Control System	200,000	-	-	-	-	200,000	2,055,000	2,255,000
Prefunction A and C Restroom Renovations	195,000	2,600,000	-	-	-	2,795,000	-	2,795,000
Vertical Transportation: Elevator Modernizations	175,000	300,000	300,000	-	-	775,000	375,000	1,150,000
Mass Notification Consulting & Implementation	150,000	-	-	-	-	150,000	-	150,000
Rain Garden Tree Replacement	130,000	-	-	-	-	130,000	-	130,000
VIP B Renovation	120,000	1,000,000	-	-	-	1,120,000	-	1,120,000
OCC - WiFi & Show Network Upgrades	120,000	130,000	130,000	130,000	130,000	640,000	-	640,000
ADA Assessment and Improvements	100,000	-	-	-	-	100,000	-	100,000
Vertical Transportation: Escalator Safety Skirt Brush	100,000	-	-	-	-	100,000	-	100,000
Parking Pay Station Signage/Elevator lobby Refresh	100,000	-	-	-	-	100,000	-	100,000
Lobby Lighting Retrofit	80,000	600,000	-	-	-	680,000	-	680,000
Waterproofing: SW Exterior & Egress Doors	60,000	400,000	-	-	-	460,000	-	460,000
CCTV Security Camera Replacement	-	500,000	-	-	-	500,000	-	500,000
Food & Beverage Prog: Planning & Design	-	300,000	-	-	-	300,000	-	300,000
Security Console/Entrance area Renovation	-	230,000	1,400,000	-	-	1,630,000	-	1,630,000
OCC - AV Audio System Upgrade	-	100,000	750,000	-	-	850,000	-	850,000
Facility Security Hardening	-	80,000	300,000	-	-	380,000	-	380,000
Interior Digital Signage Additions	-	75,000	1,000,000	-	-	1,075,000	-	1,075,000
OCC - Crbrd Baler & Cnpy	-	75,000	350,000	-	-	425,000	-	425,000
Exhibit Hall Sound Panel Replacement	-	65,000	650,000	-	-	715,000	-	715,000
Waterproofing: Miscellaneous	-	60,000	300,000	-	-	360,000	-	360,000
Waterproofing: Parking Garage Traffic Coating	-	60,000	250,000	-	-	310,000	-	310,000
OCC Cooling System phase II	-	20,000	4,000,000	-	-	4,020,000	-	4,020,000
Gingko Lane Renovation	-	-	750,000	5,000,000	-	5,750,000	-	5,750,000
Exhibit Hall Restroom Renovation	-	-	224,000	1,700,000	-	1,924,000	-	1,924,000
ABC Meeting Room Renovation	-	-	-	1,200,000	7,000,000	8,200,000	-	8,200,000
DEF Meeting Rooms/Lobbies/Restrooms Renovation	-	-	-	-	1,200,000	1,200,000	-	1,200,000
Holladay & 1st Ave Exterior Improvements	-	-	-	-	750,000	750,000	-	750,000
Glass Tower Structural Reinforcement	-	-	-	-	100,000	100,000	-	100,000
OCC - Boiler Replacement	-	-	-	-	100,000	100,000	-	100,000
Exhibit Hall Lighting Retrofit	-	-	-	-	75,000	75,000	-	75,000
Employee Locker Room Renovation	-	-	-	-	70,000	70,000	-	70,000
Holladay Suites Renovation	-	-	-	-	60,000	60,000	-	60,000
TOTAL	\$18,175,000	\$8,070,000	\$10,554,000	\$8,180,000	\$9,635,000	\$54,614,000	\$31,740,000	\$86,354,000
Total changes in proposed amendment	\$600,000	\$160,000	\$0	\$0	\$0	\$760,000		

**Portland's Centers for the Arts
CIP Summary
Fiscal Year 2020**

Department: P5									
	ID	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total	Prior Years	Total Project
PORTLAND'S CENTERS FOR THE ARTS FUND									
Schnitzer Acoustical Enhancements	8R092	3,900,000	1,442,908	-	-	-	5,342,908	2,657,092	8,000,000
P5 AHH Roof	8R179	3,010,000	-	-	-	-	3,010,000	987,000	3,997,000
KA Stage Cooling	8R247	2,000,000	-	-	-	-	2,000,000		2,000,000
KA Elevator Modernizations	8R175	250,000	550,000	-	-	-	800,000		800,000
KA Generator Fuel Storage	8R214	200,000	-	-	-	-	200,000	150,000	350,000
ASCH Sound Reinforcement System	8R240	100,000	400,000	-	-	-	500,000		500,000
P5 ADA improvements	8R182	50,000	95,000	-	-	-	145,000	80,000	225,000
AHH Digital Signage	P5TBD82	-	200,000	100,000	-	-	300,000		300,000
TOTAL		\$9,510,000	\$2,687,908	\$100,000	\$0	\$0	\$12,297,908	\$3,874,092	\$16,172,000
Total changes in proposed amendment		\$1,350,000	(\$850,000)	\$0	\$0	\$0	\$500,000		

**Portland Expo Center
CIP Summary
Fiscal Year 2020**

Department: EXPO								
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5 Year Cost	Prior Years	Total Project
EXPO FUND								
Lower Parking Lot 1 Improvements	300,000	250,000	450,000	-	-	1,000,000	50,000	1,050,000
Hall C Structural Maintenance	200,000	200,000	-	-	-	400,000	-	400,000
Lighting Controls	161,000	-	-	-	-	161,000	9,000	170,000
Hall E Flat Roofs	150,000	-	-	-	-	150,000	-	150,000
Expo Website Update	100,000	-	-	-	-	100,000	40,000	140,000
ADA Compliance Assessment	100,000	-	-	-	-	100,000	-	100,000
Facility Wide Door Improvements	50,000	-	75,000	-	-	125,000	20,000	145,000
Main Entry Improvements	35,000	150,000	-	-	-	185,000	-	185,000
Campus Master Plan	20,000	100,000	-	-	-	120,000	-	120,000
Facility Wide Overhead Door Impr	-	-	125,000	100,000	-	225,000	-	225,000
Halls D&E Interior Improvements	-	-	-	-	250,000	250,000	-	250,000
Hall C Roof Recoat	-	-	-	-	150,000	150,000	-	150,000
UP2 North Walkway Cover	-	-	-	-	150,000	150,000	-	150,000
Hall D&E HVAC	-	-	-	-	150,000	150,000	-	150,000
TOTAL	\$1,116,000	\$700,000	\$650,000	\$100,000	\$700,000	\$3,266,000	\$119,000	\$3,385,000
Total changes in proposed amendment	\$311,000	\$0	\$0	\$0	\$0	\$311,000		

MERC Commission Meeting

May 1, 2019
12:30 pm

Expo Project Status Report



Memo

Date: May 1, 2019
To: Expo Project Steering Committee, MERC Commission
From: Ben Rowe
Subject: Expo Project Status Update
Enclosure: Expo Campus Map

This memo provides project background information and staff recommendations to increase and diversify revenue streams on the Portland Expo Center Campus. I co-led Phase 1 of the Expo project from 2014 to 2015 and over the past 20 months have engaged and collaborated with Metro staff, architects, real estate, and industry professionals, gathering opinions and assessing the viability of multiple scenarios. Based on these many interactions, the following are my recommendations.

Expo Center Regional Economic and Community Benefit

The Portland Expo Center serves as a gathering place for a wide variety of events and communities. In Fiscal Year 2018, the Center hosted 115 events, welcoming 497,000 patrons, inducing \$54.8 million in local economic impact, supporting 560 jobs. This benefit is facilitated in large part by local small businesses that promote multiple long-standing annual events, namely O’Loughlin Trade Shows, Christine Palmer & Associates, Portland RV Dealers Association and Cirque du Soleil America. Together, the Expo Center and its many partners drive economic benefit to the region. Expo also serves as a remembrance site for people of color in the greater Portland region who lived in the surrounding area during the Vanport flood of 1948 and the Japanese-Americans interned at the Portland Assembly Center during World War II per President Roosevelt’s executive order 9066.

Executive Summary

Initial steps for the Expo Project included a marketing and feasibility study by Hunden Strategic Partners in 2014. The financial bridge strategies implemented in 2015 as a product of Phase 1 will continue to provide Expo financial solvency until the conclusion of its debt service in 2025. The Hall C Refurbishment Study conducted as Phase 2 was successfully executed, however its findings do not support moving forward with refurbishment. In the fall of 2017, we began exploring a long-term lease arrangement of Hall B (Phase 3) with an enthusiastic and viable partner, however talks ceased in December 2018 due to the facility improvement costs required for a lease option. Moving forward, Expo’s best opportunities to enhance revenue are to:

- Execute a phased approach to developing lower lot 1 into an outdoor flexible event space. (currently in progress)
- Contract with a promoter¹ to attract, incentivize, and propose new events.
- Further develop Expo’s current Bring Your Own Container (BYOC) storage business model for both internal (Metro departments) and external clients. (currently in progress)
- Evaluate lease of water rights at levee.
- Evaluate sale of strategic campus parcels.
- Continue to explore event transfers from OCC and develop new events.

¹ This strategy compliments and does not conflict with Expo’s proposed sales incentive program.

Background

At the onset of Phase 1 of the Expo Project in 2014, Expo financials forecasted the depletion of reserve funds in 2019 due to its \$1.2M annual debt service payment, flat revenues, and rising operating and capital costs. Part of the Phase 1 scope of work was commissioning a market study by Hunden Strategic Partners to analyze the regional exposition market and provide recommendations to Metro. The objective of Phase 1 of the Expo Project was to determine if 1) Implementing internal Metro financial measures, 2) constructing a new facility, or 3) exploring hybrid business models would improve Expo's financial forecast. Phase 1 steering Committee members included: General Manager of Visitor Venues, Deputy-Chief Operating Officer, Chief Financial Officer, Senior Policy Advisor, Executive Director of Oregon Convention Center, Executive Director of Portland's Centers for the Arts, Executive Director of Portland Expo Center. At the conclusion of Phase 1, the steering committee issued a strategic statement which included the following select statements:

Based on its analysis, the committee believes the public consumer and trade show business is viable for the foreseeable future and therefore recommends maintaining Expo facilities 'as-is' through 2025.

Core assumptions of our strategic direction and policy recommendations are: 1) the consumer and trade show industry and demand in the Portland market will remain strong and 2) the Expo Center will manage consistent positive net operating cash flow, growing revenues [and contain expenditure growth] at or above the Portland-Salem Consumer Price Index (CPI).

The scale of investment Metro considers should be contingent upon the performance of these two core assumptions, and the recommended actions outlined below, between 2016 and 2020. The Committee acknowledges that investment in any of the scenarios proposed by Hunden Strategic Partners will require significant financial resources beyond what can reasonably be expected from new event business generated from facility enhancements or new construction and therefore recommends an iterative process reassessing the financial feasibility of a small to large investment.

The committee recommends a financial bridge strategy, intended to provide a path for the Expo Center to maintain a minimum fund balance, financial solvency, and take advantage of the other committee recommendations through the conclusion of its current annual debt service of \$1.2M in 2025.

Since the conclusion of Phase 1 of the project, consumer and trade show events, excluding Cirque, have experienced a decline in revenue. Expo Center operations have successfully grown operating revenues each year greater than the Portland-Salem CPI, however operating expenses have grown at a faster pace than revenues and CPI, resulting in an average fiscal operating deficit of 5% of revenues from 2015 to 2018, excluding Cirque.

Financial Bridge Strategies

At the request of the Phase 1 project Steering Committee and MERC Commission, staff implemented the following financial strategies:

- Refinanced the debt service on Hall D, saving over \$160,000 annually
- Increased the annual Metro General Fund allocation to \$400,000 to Expo operating budget
- Continued an annual subsidy from the MERC Administration fund of \$100,000
- Implemented an annual TLT Pooled Capital allocation of 15% annual collections or approximately \$1.2 million² dedicated to capital projects.

Strategic Direction

The Phase 1 project Steering Committee recommended the following: (selected statements)

² Amount of transfer is dependent upon TLT collection performance

- **Hall C Refurbishment** – Assess opportunities to invest in Expo’s facilities based on current market and financial conditions on an annual basis through the MERC budget process. [Specifically Hall C]
- **Long-term Tenant** – Explore the development potential and alternative use of Halls AB, specifically a long-term tenant.
- **Investment** – Seek capital investment into Expo facilities towards long-term use from Cirque du Soleil or other clients.
- **Sales Program** – Enhance Expo sales program to increase large, high margin event business.
 - Sales incentive program was implemented for internal staff as part of the FY 2020 budget.
 - Enlist the efforts of a commission-based contractor/promoter to develop high-margin event options.
 - Continue to develop efforts toward favorable event transfers that advantage both the Expo Center and the Oregon Convention Center.

Phase 1 Status Update: The financial bridge strategies implemented at the conclusion of phase 1 were successful. Expo closed FY 2018 with \$3.2 million in fund balance; \$1 million restricted to capital and \$2.2 million unrestricted. The most recent 5-year forecast estimates annual operating deficits each year, even in some Cirque years. The forecast estimates unrestricted fund balance can support operating deficits through the final debt service payment, however it will fall below the desired contingency of 5% of operating revenues or approximately \$400,000.

Build a new Exhibit Hall

The prospect of deconstructing halls A, B, and C and building a new exhibit hall in their place was explored and analyzed during phase 1 of the project.

- **Funding** – this strategy would require significant general obligation (GO) bonding or an additional “bucket” to be added to the TLT agreement to pay the annual debt service of \$3.6 million or more similar to OCC, Portland’s and other public event facilities.
- **Demand** – The consultant (Hunden Strategic Partners) hired during phase 1 suggested there is demand for regional event space. However, financial analysis and forecasts, conducted at the time, concluded this strategy would not produce a return on investment without the TLT agreement or an alternative funding source paying the annual debt service.
- This strategy is not recommended at this time.

Expo Project Phase 2 Scope

The scope of Phase 2 of the project was to investigate the potential refurbishment of Hall C including HVAC installation, lighting, adding a proper lobby or entry area, and aesthetic improvements to the interior to increase its utilization year-round and profitability.

Phase 2 Status Update: Structural refurbishment is not a viable option. We now know from an Architect’s study conducted in 2018, that installation of HVAC in Hall C would trigger seismic and structural upgrades to current building codes. These improvements would be cost prohibitive and not produce a return on investment. Esthetic improvements could be made, however, would most likely not induce an increase in utilization of the space and therefore not facilitate a return on investment.

Expo Project Phase 3 Scope

The scope of Phase 3 of the project was to explore and implement business opportunities to increase and diversify Expo revenue streams. Specifically a long-term tenant in Halls A&B.

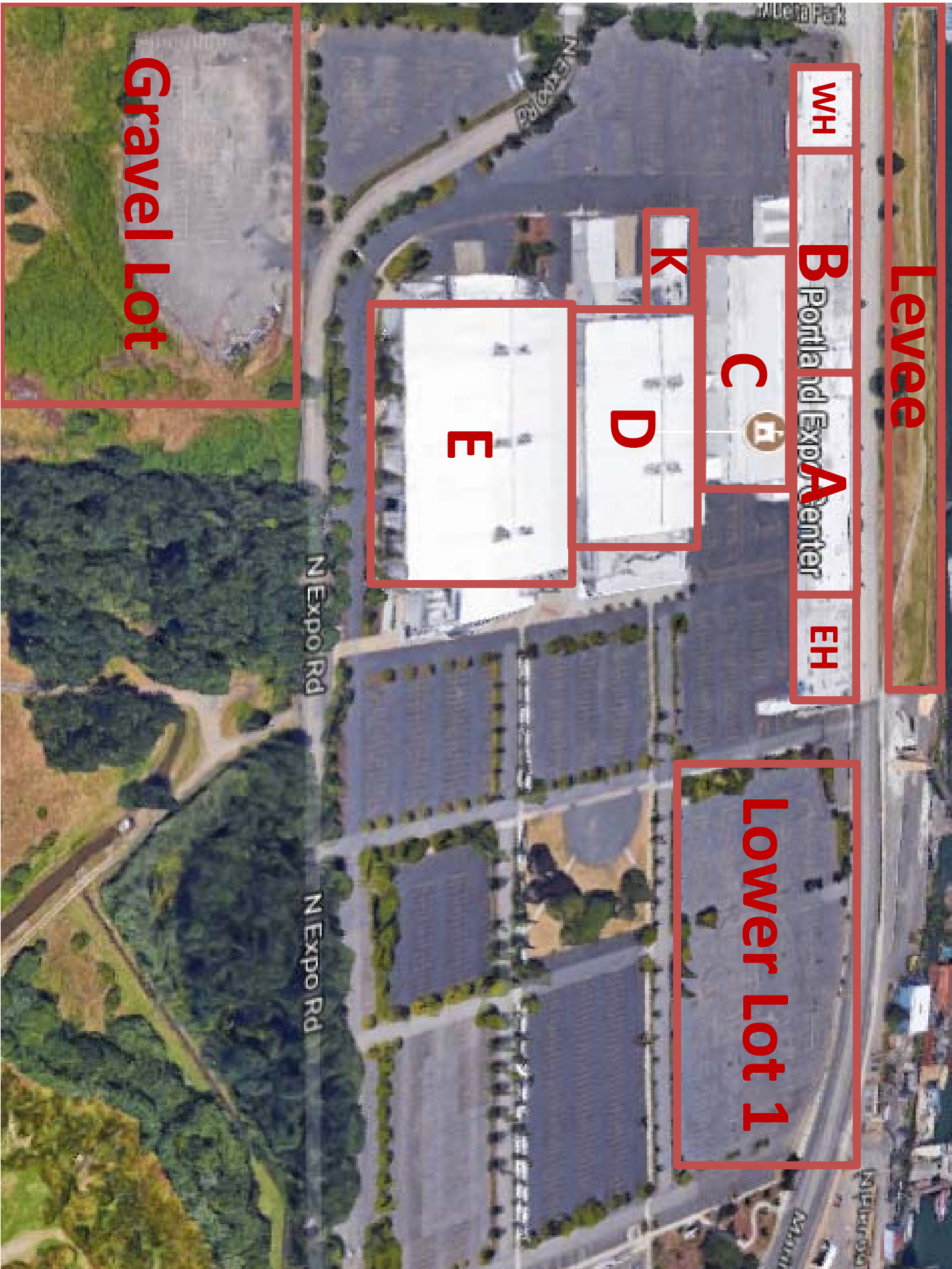
Phase 3 Status Update: In the fall of 2017, we began exploring a long-term lease arrangement of Hall B with a viable and enthusiastic partner, however talks ceased in December 2018 due to the facility improvement costs required for a lease option. These improvements would be cost prohibitive and not produce a return on investment. Our assessment is that similar cost prohibitive facility improvements would be necessary for most potential long-term tenants. Therefore, further exploration of this scenario was not pursued.

The most viable options for Phase 3 of the Expo project are:

- Begin a phased approach to develop Lower Lot 1 into a flexible outdoor event venue. (currently in progress)
- Similar to the contractual relationship between Travel Portland and the Oregon Convention Center, Expo should engage with a commissioned-based contractor to attract, incentivize, and propose new events, to maximize the use of all Expo campus assets.
- Evaluate the leasing of water rights at the levee.
- Evaluate sale of strategic campus parcels that maintains Expo’s current business model.

Expo Investment Scenario Matrix:

Scenario	Description	Recommendation
Refurbish Hall C	Improve heating, cooling, lighting, entryway, esthetics	Not Recommended
Remodel Halls A,B, or C	Replace roof, siding, HVAC, add loading docks	Not Recommended
Build New Exhibit Hall	Deconstruct halls A,B,C construct new exhibit hall	Not Recommended under current financial model
Long-term Lease A,B	Lease out halls A and/or B to long-term tenant	Not Recommended / Review
Outdoor Venue Concept	Phased approach to develop outdoor venue for Cirque, concerts, etc.	Recommended
Contract w/ Promoter	Incentivize higher margin events to choose Expo	Recommended
Lease Water Rights	Lease water rights at levee	Recommended / Review
Evaluate sale of strategic campus parcels	Maintain business model in reduced space	Recommended / Review
BYOC Storage	<u>Bring Your Own Container</u> Storage Facility for both internal Metro department and external clients	Recommended / Review
Lease Kitchen Space	Lease out commercial kitchen space	Not Recommended



MERC Commission Meeting

May 1, 2019
12:30 pm

OCC Expo Business Transfer
Update



OCC & EXPO TRANSFER PROJECT

This memo provides background information and a project plan for transfer events from the Oregon Convention Center to the Portland Expo Center in preparation of the opening of the Hyatt Regency Portland at the Oregon Convention Center. This mutually beneficial relationship is intended to increase revenue for both facilities by allowing OCC to book larger conventions while strategically expanding the Expo's event calendar. The main objective is to keep events within the Metro Visitor Venues and in Portland area in order to maintain the benefit to the region's economy.

Background

The plan to transfer events to the Expo Center from OCC has been in place for some time; however the idea has gained traction in the past year due to OCC's ongoing renovations in preparation for the opening of the new headquarter hotel in February 2020. Alicia Crawford Loos and Cindy Wallace have partnered and met numerous times, with support from their respective sales teams, to create a list of almost 30 events that could move to Expo in order to allow OCC to book larger pieces of business.

Goals

This transfer partnership is designed with the goal to maximize revenue at both OCC and the Expo Center while benefiting the region's economy.

- Make strategic decisions that create a significant impact for our region
- Maximize revenue growth across both venues
- Meet or exceed customer expectations in order to retain business

Progress

In November 2018, Expo and OCC met to outline transfer opportunities between the facilities:

- Approximately 30 events were identified by the OCC sales team.
- The Expo sales team then took the events and placed them on available dates within the seasonal calendar.

OCC & EXPO TRANSFER PROJECT

- Additionally, Expo evaluated the revenue of their existing events to prioritize date and event space selection in preparation of transfers.
- Expo and OCC sales teams have coordinated outreach to clients who will need to move by 2021.
- To date, Expo has researched date potentials and scope for all 30 events, , visited 3 events and provided a direct proposal for one interested party.
- Outreach will continue through FY20.

Current Revenue Impact

To date, OCC has referred four groups (4) and Expo has successfully booked seven (7) events at the Expo Center:

- **Columbia Empire Volleyball Association (CEVA)** - In 2015, the Portland Expo Center, Oregon Convention Center and Travel Portland collaborated to bring the CEVA Regional Championships to the Expo Center in 2018. The tournament at the Expo is hosted over two consecutive weekends (April/May) with 30,000 attendees. Gross revenues exceeded \$350,000 in year one with growth anticipated in year two. A three year agreement for FY20-22 is currently in negotiations.
- **Amway Events** – During OCC’s renovation, the Expo Center has now hosted four (4) separate Amway events, generating significant parking revenue for the facility.
 - Worldwide Group, LLC
 - Signature Equipovision
 - The Duncan Family

Event	Gross Revenue
CEVA Regional Championships	\$352,934.00
The Worldwide Group	\$70,920.00
The Duncan Family	\$22,621.00
Signature Equipovision	\$13,736.00
Total:	\$460,211.00



OCC & EXPO TRANSFER PROJECT

Conclusion

Retaining business within the Visitor Venues through this transfer partnership will boost regional consumer/public events and trade shows, while promoting Portland to large city-wide conventions . Both goals are vital to our region's vital economy. Through strategic transfers and seamless transitions, we feel that this is a solid plan that will drive revenue to the Visitor Venue's bottom line.

