



600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Wednesday, September 4, 2019

12:45 PM

Oregon Convention Center, D136

Joint Metro Exposition Recreation Commission (MERC)/Metro Council Work Session

1. **Call to Order and Roll Call (12:45 PM)**
2. **Safety Briefing (12:50 PM)**
3. **Work Session Topics:**
 - 3.1 Metropolitan Exposition Recreation Commission (MERC) [19-5263](#)
Update (12:55 PM)
 - 3.2 Community Construction Training Program (1:10 PM) [19-5264](#)

Presenter(s): Heather Back, Metro
Kelly Haines, Worksystems
Pat Daniels, Constructing Hope
Joe McFerrin, Portland Opportunities Industrialization Center

Attachments: [PowerPoint: Community Construction Training Program](#)
 - 3.3 Expo Development Opportunity Study (1:40 PM) [19-5265](#)

Presenter(s): Scott Cruickshank, Metro
Hillary Wilton, Metro
4. **Chief Operating Officer Communication (2:25 PM)**
5. **Councilor Communication (2:30 PM)**
6. **Adjourn (2:35 PM)**

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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 kullanka dadweynaha, wac 503-797-1700 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

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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) 503-797-1700를 호출합니다.

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សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានកម្មប្រព័ន្ធរើសអើងសូមចូលទស្សនាគេហទំព័រ www.oregonmetro.gov/civilrights។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

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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 503-797-1700 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan.

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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 503-797-1700 (8 teev saww ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwm ua ntej ntxawm lub rooj sib tham.

Materials following this page were distributed at the meeting.

Community Construction Training Program



Pre-apprentice Training Background



Construction Apprenticeship and Workforce Solutions

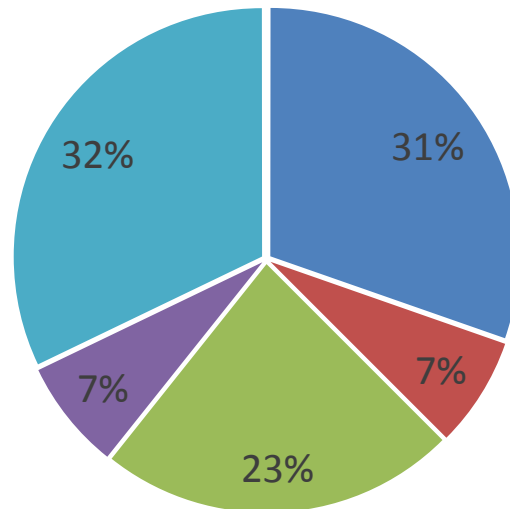


Pre-apprentice Program Grantees



Grant Performance: 112 Pre-apprentices

Enrollments by Race



■ African American

■ Asian or Pacific Islander

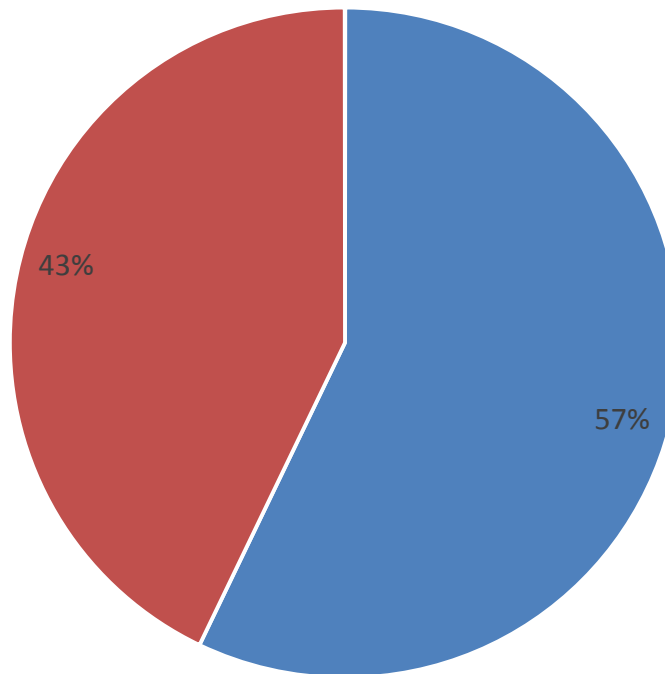
■ Hispanic

■ American Indian or Alaska Native

■ Caucasian

Grant Performance: 112 Pre-apprentices

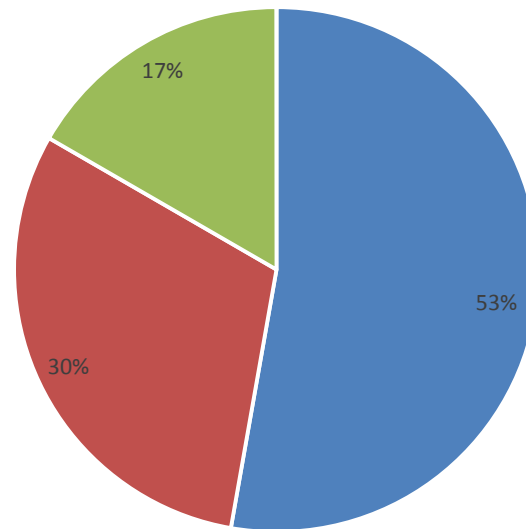
Enrollments by Gender



■ Male ■ Female

Grant Outcomes: Placements

Placement Outcomes to Date



- Placed in Construction Employment that is not a Registered Apprenticeship
- Placed in Construction Registered Apprenticeship Program
- Placed in other Employment

Apprenticeship Support Services

- Funding to support onsite Registered Apprentices on the Hyatt Regency Portland and adjacent jobsites
- Tools/boots, transportation, childcare
- Served 91% women and people of color

AKANA

COWS 
CONSTRUCTION APPRENTICESHIP & WORKFORCE SOLUTIONS
a program of Worksystems

Grant Outcomes: Return on Investment

- 72 pre-apprentices were previously unemployed
- Average starting wage in Construction:
\$18-20 per hour or \$39,520 annually
- Average annual state tax revenue:
\$256,000
- 43% previously on public assistance:
Building a future to get on a better path

Grant Outcomes: Summary and next steps

- 113% overall enrollment
- 80% women and people of color
- Served apprentices directly on the jobsites and expanded to surrounding jobsites
- Continue to support graduates: retention and advancement
- Building upon model to partner with other Contractors and Public Owners: Investing in the regional workforce pipeline

Pre-apprentice interviews

Thank you

oregonmetro.gov



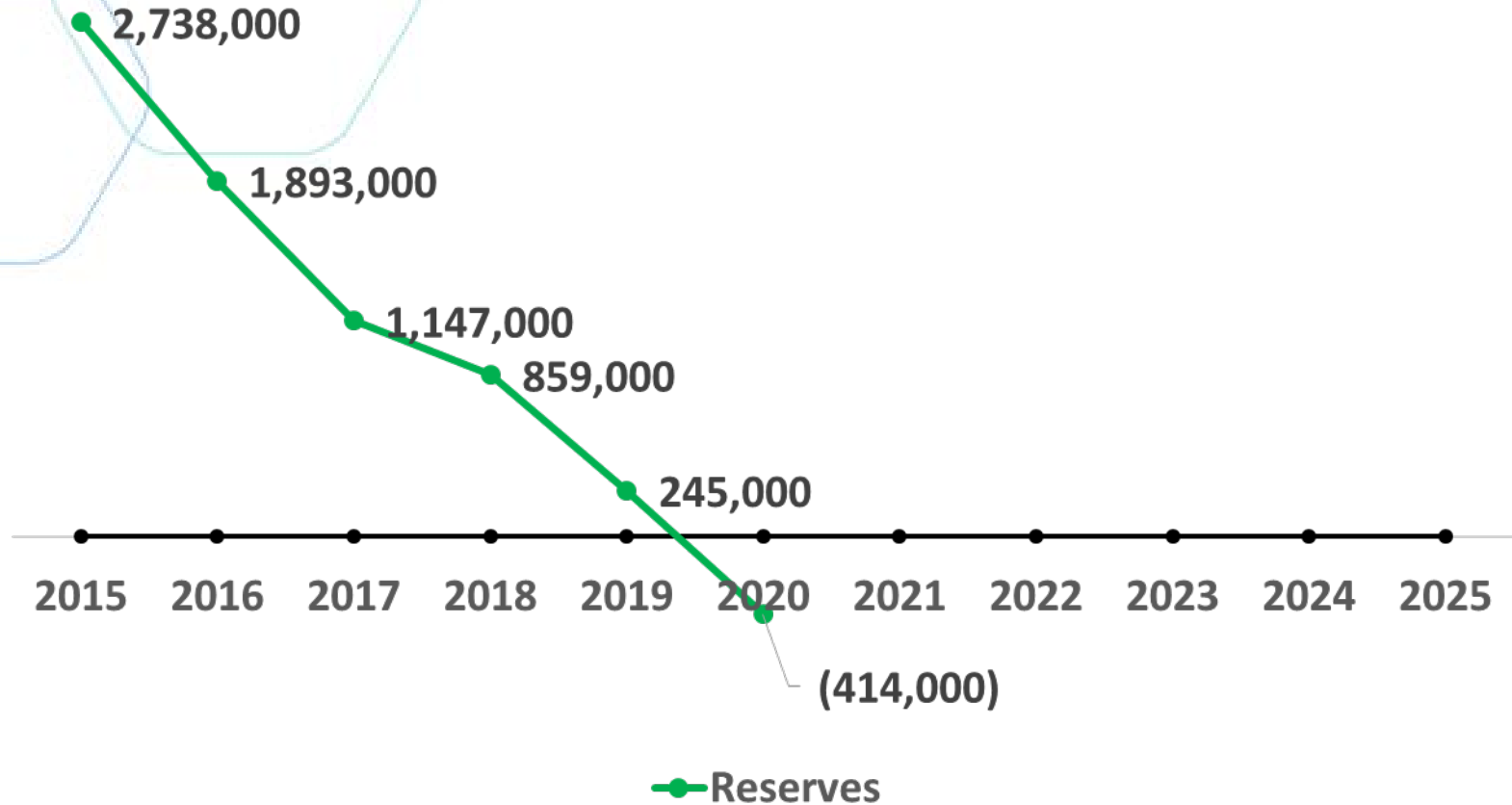
Portland EXPO Venue and Asset



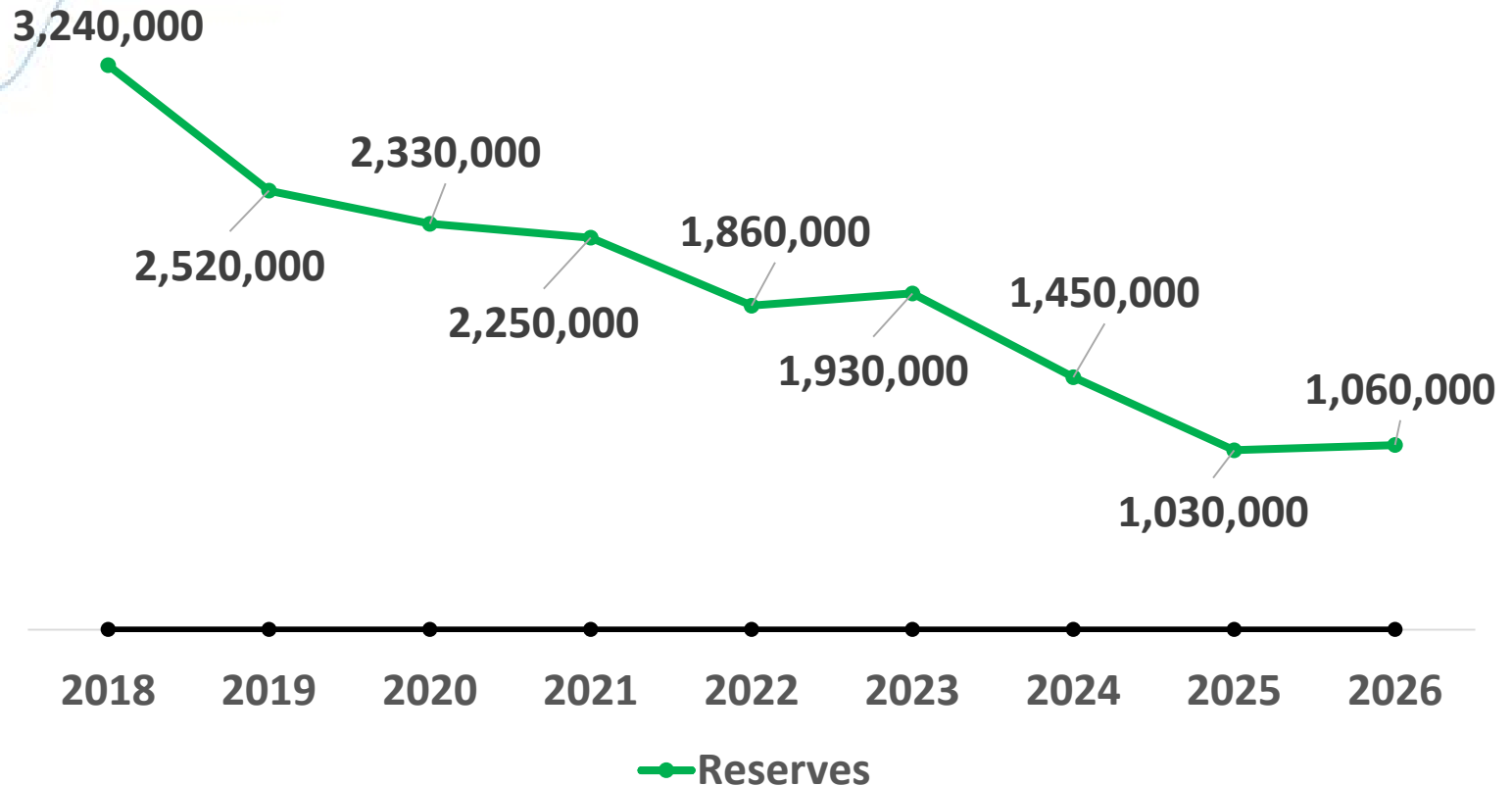
EXPO Challenges

- Poor condition of Halls A, B, and C result in poor occupancy, together they comprise less than 15% of EXPO's total Hall Revenue.
- In depth 2015 venue study determined that significant capital investment is required to make EXPO successful and financially self sustaining. There is no long term funding strategy to improve underutilized Halls.
- Due, in part, to the approximately \$1M/year debt service committed until 2025 for Hall D rebuilding, EXPO was operating at a deficit.
- Attempts to diversify revenue streams beyond the current business model have had insufficient impact on this.

EXPO Financial Snapshot



EXPO Financial Forecast



EXPO Impact

- The Portland Expo Center serves as a gathering place for a wide range of events and communities.
- The Portland Expo Center is Oregon's largest multi-purpose facility. The 53 acre campus boasts five exhibit halls totaling over 333,000 square feet and ten varied meeting rooms.
- In Fiscal Year 2018, the Center hosted 115 events, welcoming 497,000 patrons, inducing \$54.8 million in local economic impact, supporting 560 jobs.
- The property has a rich cultural past that has touched the lives of many Portlanders and visitors throughout its history.



EXPO History

Historical significance



- In 1942, during World War II the Portland Assembly Center housed Japanese-Americans before their transfer to internment camps.
- 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.
- In 1959, the Portland Expo Center was the location of the Oregon Centennial Exposition and International Trade Fair to commemorate one hundred years of statehood.

Current Work

1. Phase 1 Environmental Investigation

2. Updated Property Title Report and Assessment

3. Development Opportunity Study (“DOS”)

- Site, Venue and Market Assessment.
- Based on this assessment develop concepts / scenarios that may be feasible.
- Do more in depth development feasibility and venue performance assessment of 3-5 concepts (development programs evaluated will contemplate continued venue operations).
- Present a decision making tool identifying opportunity and impacts of various paths.

DOS Internal Project Team

Leadership (Steering) Team

- Christine Lewis, Metro Councilor and MERC Liaison
- Damien Hall, MERC Commissioner
- Scott Cruickshank, General Manager Visitor Venues
- Matthew Rotchford, EXPO Center Director
- Paul Slyman, Chief of Staff to the Metro Council President

Technical Expert Team

- Jonathan Williams, TOD Program Development Specialist
- Brian Moore, Willamette Falls Project Manager
- Rachael Lembo, MERC Financial Manager
- Office of the Metro Attorney (with expertise including Environmental Investigations and Title Review)

Project Manager

- Hillary Wilton, Senior Development Specialist

DOS Consultant Project Team

DOS

- Cascadia Partners: A local, certified Emerging Small Business with decades of experience planning, design, development finance, project management and engagement.

Environmental Investigations

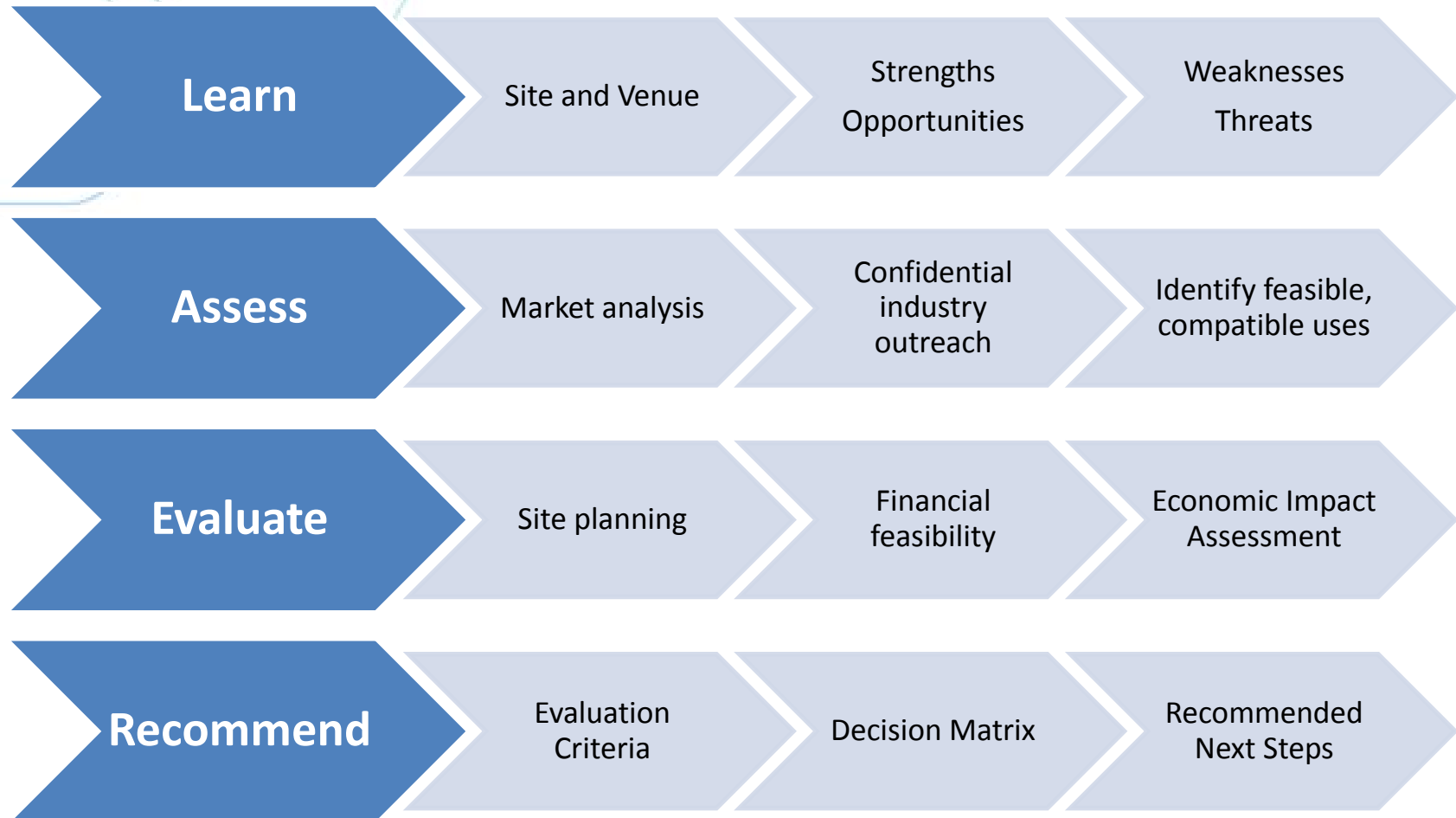
- Hart Crowser: Highly regarded geotechnical and environmental engineers and scientists consulting on public and private projects since 1974.

Property Title

- Chicago Title

Development Opportunity Study

Key Phases



Development Opportunity Study

Site Analysis

Understand Strengths, Weaknesses and Opportunities of Site

- Existing uses and space needs
- Zoning
- Circulation
- New use space needs
- Site planning analysis
- Basic site plans



Development Opportunity Study

Venue Impact

- Program Impacts
- Revenue Impact Forecasts
- Stakeholder Impacts, including:
 - Staff
 - Attendees
 - Clients
 - Service Providers
 - Dependent businesses e.g. local hotels



Development Opportunity Study

Financial Feasibility (Pro Forma)

- Populate Pro Forma Assumptions
- Evaluate Performance
- Compare Value
- Use Mix
 - Venue
 - Commercial (logistics, office)
 - Housing
- Construction Costs
 - Site and Buildings
- Revenue Streams
 - Venue
 - Commercial Rents
 - Land Lease

Operating Statement Summary					
	Escalation	Year 1	Year 2	Year 3	Year 4
GPI					
Other Income					
Total Income		\$53,244	\$54,841	\$56,486	\$58,181
Less: Vacancy		\$5,324	\$5,484	\$5,649	\$5,818
Less: Concessions, Market Loss		\$58,568	\$5,484	\$60,325	\$63,999
EGI		\$11,714	\$3,016	\$3,200	\$3,200
Less: Operating Costs	3.00%	\$1,171	\$1,206	\$1,243	\$1,280
Less: Property Taxes	5.00%	\$45,683	\$56,102	\$57,785	\$59,519
Plus: Property Tax Abatement	2.00%	\$5,324	\$5,484	\$5,649	\$5,818
Plus Sales Tax Abatement		\$0	\$0	\$0	\$0
Plus TIF + IRA Retainage of Taxes		\$0	\$0	\$0	\$0
Cash Throw Off to Public Partner		\$0	\$0	\$0	\$0
Plus: Retainage of Property & Sales Taxes	3.00%	\$0	\$0	\$0	\$0
NOI		\$0	\$0	\$0	\$0
Less: Debt Service		\$0	\$0	\$0	\$0
Net Cash Flow		\$0	\$0	\$0	\$0
Cap Rate		\$0	\$0	\$0	\$0
Cash on Cash Return (Equity Dividend Rate)		\$40	\$0	\$0	\$0

FINANCIAL PERFORMANCE

Rental		
Cash-on-Cash (After Year 3)	1.1%	
IRR on Project Cost (Unleveraged Return)	5.7%	
IRR on Investor Equity (Leveraged Return Before Tax)	5.3%	
Debt Service Coverage Ratio (Year 3)	1.06	
Owner		
Project Rate of Return	0.0%	
Return to Equity	0.0%	
Subsidy		
Subsidy Amount	\$	0
% of Project Costs	1.15%	1.72%

Development Opportunity Study

Example Development Priorities

- Understand the impact of maximizing certain priorities, such as:
 - Cash – sale
 - Revenue – rent, land lease
 - Impact – economic impact, jobs
 - Market Potential – highest and best use
 - Affordable Housing
 - Other priorities?

Development Opportunity Study Decision Making Tool

How we will compare alternative priorities and impacts.

**What if we maximize
priority X?**

Priority A

Development
Program

Program X

Program Y

Quantify
Impacts

Impact A

Impact B

Impact C

Impact D

DOS Investigation Timeline



Timeline	2019					2020				
	August	September	October	November	December	January	February	March	April	May
Task 1: Kick-Off Meeting	Active	Active								
Task 2: Site Assessment		Active	Active							
Task 3: Venue Assessment		Active	Active							
Task 4: Market Assessment		Active	Active							
Task 4.1: One-on-One Industry Outreach			Active							
Task 4.2: Strengths & Opportunities Summary			Active	Active	Active					
Task 5: Identify Development Opportunities (5)				Active	Active					
Task 6: Feasibility Assessment (5 Schemes)					Active	Active	Active			
Task 7: Venue Performance Assessment (up to 5)					Active	Active	Active			
Task 8: Economic Impact Analysis							Active	Active		
Task 9: Final Memo								Active		
Task 10: Additional Presentation Materials (Optional)								Active	Active	Active

Development Opportunity Study

Desired Outcomes

A tool that helps us determine the best public benefit of the EXPO Center venue and property.

- Identify major opportunities and constraints to redevelopment.
- Venue impact analysis of redevelopment scenarios.
- Evaluation of scenarios / alternatives based on priorities (values), for example:
 - Market Viability
 - Real Estate Return (cash / revenue)
 - Economic Impacts (jobs / wages)
 - Venue and Stakeholder Impacts