

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 19-10

For the purpose of approving the Oregon Convention Center rental rates for fiscal years 2023-2024, 2024-2025 and 2025-2026

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) sets facility rental rates for the MERC venues, and;


WHEREAS, OCC seeks increased rental rates for fiscal years 2023-2024, 2024-2025 and 2025-2026 for events scheduled after June 30, 2023 based upon OCC's average rate increase every three years and current business trends.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission approves the Oregon Convention Center's rental rates, per Attachment A, for fiscal years 2023-2024, 2024-2025 and 2025-2026.

Passed by the Commission on July 10, 2019.

Approved as to form:

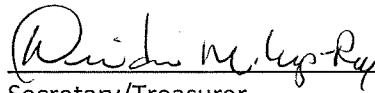
Carrie MacLaren, Metro Attorney



Chair

By: 

Nathan A. S. Sykes, Deputy Metro Attorney



Secretary/Treasurer

MERC STAFF REPORT

Agenda Item/Issue: For the purpose of approving the Oregon Convention Center rental rates for fiscal years 2023-2024, 2024-2025 and 2025-2026.

Resolution No: 19-10

Presented by: Craig Stroud

Date: July 10, 2019

Background and Analysis: To remain competitive while at the same time maximizing revenue opportunities, the Oregon Convention Center (OCC) staff reviewed the center's average historical rental rate increases and are proposing a rental rate increase beginning July 1, 2023 through June 30, 2026. Over the past 15 years, OCC rate increases have varied from five to 12 percent based on the market, industry trends and a recession.

The proposed rate increases for 2023-2026 are 10 percent above the approved fiscal years 2020-2023 rates. Consistent with prior rates, convention business rates would be discounted 20 percent. This proposed increase will standardize OCC's rental rates and keep OCC in alignment with other convention centers. The OCC Sales team surveyed rate increase practices for twelve centers generally considered peer competitors, including Washington State, Austin, and Vancouver BC. Rates for those centers generally increased two to three percent annually, or five percent every two years. Based on the survey, a 10 percent increase over the three fiscal years will keep OCC competitive and current in the peer market.

Based on a 2018 rental analysis from Conventions Sports and Leisure International (CSL International), the OCC's published exhibit, meeting and ballroom space rental rates appear to be generally in line with competitive and comparable facilities reviewed, with the exception of somewhat low ballroom pricing. The following are the venues that were included in the analysis:

- Anaheim Convention Center
- Georgia World Congress Center
- Los Angeles Convention Center
- McCormick Place
- Moscone Center
- New Orleans Morial Convention Center
- Orange County Convention Center
- San Diego Convention Center
- Washington State Convention Center
- Vancouver Convention Centre

Establishing rates for a three-year period allows current and potential clients to plan their events, as well as supports OCC financial management. Many OCC clients need advance bid pricing or guaranteed rates for conventions. The proposed rate increases would be guaranteed for three years beginning fiscal year 2023-2024.

FISCAL IMPACT: Increases would affect fiscal year 2023-2024 with the initial increases averaging approximately 10 percent. Fiscal years 2024-2025 and 2025-2026 would remain flat. Rental increases are considered in the five-year budget forecast. Space rental revenue is approximately 17 percent of total event-related revenue. Other event revenues, such as food and beverage, audio visual, utility services and reimbursed labor, are reviewed for price adjustments on an annual basis.

Attachments to Resolution and/or Staff Report: Attachment A reflects proposed rates for exhibit halls, ballrooms and meeting spaces with comparison to past years. The proposal also outlines flat rates for

convention business and non-convention business, as well as square footage rates for show utilization for exhibit halls in a tradeshow format.

RECOMMENDATION: Staff recommends that the Metropolitan Exposition-Recreation Commission, by Resolution No. 19-10, approve the proposed rental rates for the Oregon Convention Center through June 30, 2026, as outlined in Attachment A.

Exhibit Hall Rental

NAME OF ROOM	SQ. FT.	Approved		Convention	Approved	NSF
		Retail Rate 2020-2023	Retail Rate 2023-2026	Rate 2023-2026	NSF 2020-	2023- 2026
A, A1, B or E	30,000	\$4,350	\$4,785	\$3,828	\$0.37	\$0.39
A/A1, A1/B	60,000	\$8,700	\$9,570	\$7,656	\$0.37	\$0.39
C or D	61,000	\$8,850	\$9,735	\$7,788	\$0.37	\$0.39
A/A1/B	90,000	\$13,100	\$14,410	\$11,528	\$0.37	\$0.39
B/C or D/E	93,000	\$13,500	\$14,850	\$11,880	\$0.37	\$0.39
A1/B/C	124,000	\$18,000	\$19,800	\$15,840	\$0.37	\$0.39
C/D	130,000	\$18,850	\$20,735	\$16,588	\$0.37	\$0.39
A/A1/B/C	155,000	\$22,450	\$24,695	\$19,756	\$0.37	\$0.39
B/C/D or C/D/E	162,000	\$23,500	\$25,850	\$20,680	\$0.37	\$0.39
B/C/D/E or A1/B/C/D	195,000	\$28,200	\$31,020	\$24,816	\$0.37	\$0.39
A/A1/B/C/D	222,000	\$32,200	\$35,420	\$28,336	\$0.37	\$0.39
A1/B/C/D/E	225,000	\$32,200	\$35,420	\$28,336	\$0.37	\$0.39
A/A1/B/C/D/E	255,000	\$36,900	\$40,590	\$32,472	\$0.37	\$0.39

Ballroom Rental

NAME OF ROOM	SQ. FT.	Approved		Convention	Approved	NSF
		Retail Rate 2020-2023	Retail Rate 2023-2026	Rate 2023-2026	NSF 2020-	2023- 2026
Oregon Ballroom						
201, 202, 203, 204	6,300	\$2,250	\$2,475	\$1,980	\$0.37	\$0.39
201-202, 202-203, 203-204	12,600	\$4,500	\$4,950	\$3,960	\$0.37	\$0.39
201-203, 202-204	18,900	\$6,750	\$7,425	\$5,940	\$0.37	\$0.39
201-204	25,200	\$9,000	\$9,900	\$7,920	\$0.37	\$0.39
Portland Ballroom						
251 or 256	4,000	\$1,475	\$1,623	\$1,298	\$0.37	\$0.39
253, 254, 257 or 258	4,200	\$1,525	\$1,678	\$1,342	\$0.37	\$0.39
252 or 255	4,700	\$1,625	\$1,788	\$1,430	\$0.37	\$0.39
251-258 or 256-257	8,200	\$3,000	\$3,300	\$2,640	\$0.37	\$0.39
253-254 or 253-258 or 254-257	8,400	\$3,050	\$3,355	\$2,684	\$0.37	\$0.39
251-252 or 255-256	8,700	\$3,100	\$3,410	\$2,728	\$0.37	\$0.39
252-253 or 254-255	8,900	\$3,150	\$3,465	\$2,772	\$0.37	\$0.39
251-257-258 or 256-257-258	12,400	\$4,525	\$4,978	\$3,982	\$0.37	\$0.39
252-253-254 or 253-254-255	13,100	\$4,675	\$5,143	\$4,114	\$0.37	\$0.39
251-256-257-258	16,400	\$6,000	\$6,600	\$5,280	\$0.37	\$0.39
253-254-257-258	16,800	\$6,100	\$6,710	\$5,368	\$0.37	\$0.39
251-252-253-258 or 254-255-256-257	17,100	\$6,150	\$6,765	\$5,412	\$0.37	\$0.39
252-253-254-255	17,800	\$6,300	\$6,930	\$5,544	\$0.37	\$0.39
251-252-253-254-257-258	25,500	\$9,200	\$10,120	\$8,096	\$0.37	\$0.39
253-254-255-256-257-258	25,500	\$9,200	\$10,120	\$8,096	\$0.37	\$0.39
251-252-253-254-255-256-257-258	34,200	\$12,300	\$13,530	\$10,824	\$0.37	\$0.39

Meeting Room Rental

NAME OF ROOM	SQ. FT.	Approved		Convention	Approved	NSF
		Retail Rate 2020-2023	Retail Rate 2023-2026	Rate 2023-2026	NSF 2020-	2023- 2026
A101, C128	263	\$ 100.00	\$110	\$88	\$0.37	\$0.39
A102, C127	165	\$ 100.00	\$110	\$88	\$0.37	\$0.39

A103 C126	621	\$ 264.00	\$290	\$232	\$0.37	\$0.39
A104 C125	756	\$ 319.00	\$351	\$281	\$0.37	\$0.39
A103-104 C125-126	1,377	\$ 583.00	\$641	\$513	\$0.37	\$0.39
A105 C124	1,874	\$ 792.00	\$871	\$697	\$0.37	\$0.39
A106 C123	2,231	\$ 946.00	\$1,041	\$832	\$0.37	\$0.39
A105-106 C123-124	4,105	\$ 1,738.00	\$1,912	\$1,529	\$0.37	\$0.39
A107 C122	826	\$ 352.00	\$387	\$310	\$0.37	\$0.39
A108 C121	737	\$ 319.00	\$351	\$281	\$0.37	\$0.39
A107-108 C121-122	1,563	\$ 671.00	\$738	\$590	\$0.37	\$0.39
A109 C120	783	\$ 330.00	\$363	\$290	\$0.37	\$0.39
A108-109 C120-121	1,520	\$ 649.00	\$714	\$571	\$0.37	\$0.39
A107-109 C120-122	2,346	\$ 1,001.00	\$1,101	\$881	\$0.37	\$0.39
B110 B119	783	\$ 330.00	\$363	\$290	\$0.37	\$0.39
B111 B118	737	\$ 319.00	\$351	\$281	\$0.37	\$0.39
B110-111 B118-119	1,520	\$ 649.00	\$714	\$571	\$0.37	\$0.39
B112 B117	937	\$ 396.00	\$436	\$348	\$0.37	\$0.39
B111-112 B117-118	1,674	\$ 715.00	\$787	\$629	\$0.37	\$0.39
B110-112 B117-119	2,457	\$ 1,045.00	\$1,150	\$920	\$0.37	\$0.39
B113 B116	1,665	\$ 704.00	\$774	\$620	\$0.37	\$0.39
B114 B115	1,170	\$ 495.00	\$545	\$436	\$0.37	\$0.39
B113-114 B115-116	2,835	\$ 1,199.00	\$1,319	\$1,055	\$0.37	\$0.39
B114-115	2,340	\$ 990.00	\$1,089	\$871	\$0.37	\$0.39
B113-115 B114-116	4,005	\$ 1,692.00	\$1,861	\$1,489	\$0.37	\$0.39
B113 - 114 - 115 - 116	5,670	\$ 2,398.00	\$2,638	\$2,110	\$0.37	\$0.39
D133 E148	811	\$ 341.00	\$375	\$300	\$0.37	\$0.39
D134 E147	647	\$ 264.00	\$290	\$232	\$0.37	\$0.39
D135 E146	1,386	\$ 594.00	\$653	\$523	\$0.37	\$0.39
D136 E145	1,818	\$ 770.00	\$847	\$678	\$0.37	\$0.39
D137 E144	983	\$ 418.00	\$460	\$368	\$0.37	\$0.39
D138 E143	940	\$ 418.00	\$460	\$368	\$0.37	\$0.39
D139 E142	958	\$ 418.00	\$460	\$368	\$0.37	\$0.39
D140	814	\$ 341.00	\$375	\$300	\$0.37	\$0.39
D133-134 E147-148	1,458	\$ 605.00	\$666	\$532	\$0.37	\$0.39
D135-136 E145-146	3,204	\$ 1,364.00	\$1,500	\$1,200	\$0.37	\$0.39
D137-138 E143-144	1,923	\$ 836.00	\$920	\$736	\$0.37	\$0.39
D138-139 E142-143	1,898	\$ 836.00	\$920	\$736	\$0.37	\$0.39
D137-139 E142-144	2,881	\$ 1,254.00	\$1,379	\$1,104	\$0.37	\$0.39
D137-140	3,695	\$ 1,595.00	\$1,755	\$1,404	\$0.37	\$0.39
D138-140	2,712	\$ 1,177.00	\$1,295	\$1,036	\$0.37	\$0.39
D139-140	1,772	\$ 759.00	\$835	\$668	\$0.37	\$0.39

Meeting Room Rental

NAME OF ROOM	SQ. FT.	Approved		Convention	Approved	NSF
		Retail Rate 2020-2023	Retail Rate 2023-2026	Rate 2023-2026	NSF 2020-	NSF 2023-2026
E141	1,212	\$ 506.00	\$557	\$445	\$0.37	\$0.39
E141-142	2,170	\$ 924.00	\$1,016	\$813	\$0.37	\$0.39
E141-143	3,110	\$ 1,342.00	\$1,476	\$1,181	\$0.37	\$0.39
E141-144	4,093	\$ 1,760.00	\$1,936	\$1,549	\$0.37	\$0.39
F149 F152	1,158	\$ 484.00	\$532	\$426	\$0.37	\$0.39
F150 F151	1,875	\$ 803.00	\$883	\$707	\$0.37	\$0.39
F149-150 F151-152	3,033	\$ 1,287.00	\$1,416	\$1,133	\$0.37	\$0.39
F149-151 F150-152	4,908	\$ 2,090.00	\$2,299	\$1,839	\$0.37	\$0.39

F150-151	3,750	\$ 1,606.00	\$1,767	\$1,413	\$0.37	\$0.39
F149-F152	6,066	\$ 2,574.00	\$2,831	\$2,265	\$0.37	\$0.39
G129	785	\$ 330.00	\$363	\$290	\$0.37	\$0.39
G130	1,024	\$ 440.00	\$484	\$387	\$0.37	\$0.39
G131	1,228	\$ 517.00	\$569	\$455	\$0.37	\$0.39
G132	1,010	\$ 440.00	\$484	\$387	\$0.37	\$0.39

Ancillary Rental

NAME OF ROOM	SQ. FT.	Approved		Convention	Approved	NSF
		Retail Rate 2020-2023	Retail Rate 2023-2026	Rate 2023-2026	NSF 2020-	2023-2026
Oregon Ballroom Lobby	14,000	\$520	\$572	\$572	\$0.37	\$0.39
Portland Ballroom Lobby	16,336	\$520	\$572	\$572	\$0.37	\$0.39
M.L. King Lobby	11,500	\$450	\$495	\$495	\$0.37	\$0.39
Holladay Lobby	9,000	\$350	\$385	\$385	\$0.37	\$0.39
Ginkoberry Concourse	13,000	\$500	\$550	\$550	\$0.37	\$0.39
Pre-Function A & C Lobbies	10,000	\$370	\$407	\$407	\$0.37	\$0.39
Pre-Function D Lobby	10,000	\$370	\$407	\$407	\$0.37	\$0.39
Pre-Function E Lobby	13,000	\$500	\$550	\$550	\$0.37	\$0.39
A or C Series Meeting Room Lobbies	1,940	\$200	\$220	\$220	\$0.37	\$0.39
B Meeting Room Lobby	3,840	\$325	\$358	\$358	\$0.37	\$0.39
D or E Series Meeting Room Lobbies	2,525	\$250	\$275	\$275	\$0.37	\$0.39
F Meeting Room Lobby	10,220	\$370	\$407	\$407	\$0.37	\$0.39
VIP Suite B	1,670	\$400	\$440	\$440	\$0.37	\$0.39
VIP Suite D	1,200	\$400	\$440	\$440	\$0.37	\$0.39
Holladay Suites	4,096	\$1,400	\$1,540	\$1,540	\$0.37	\$0.39
Skyview Terrace	7,000	\$700	\$770	\$770	\$0.37	\$0.39
North Plaza	22,000	\$325	\$358	\$1,700	\$0.37	\$0.39
South Plaza	4,000	\$325	\$358	\$500	\$0.37	\$0.39
Convention Center Plaza	30,000	\$1,650	\$1,815	\$1,815	\$0.37	\$0.39

F&B Minimum to Waive Rental

NAME OF ROOM	SQ. FT.	Approved		Breakfast	Lunch	Dinner
		Retail Rate 2020-2023	Retail Rate 2023-2026	2023-2026	2023-2026	2023-2026
Oregon Ballroom						
201, 202, 203, 204	6,300	\$2,250	\$2,475	\$4,950	\$8,663	\$12,375
201-202, 202-203, 203-204	12,600	\$4,500	\$4,950	\$9,900	\$17,325	\$24,750
201-203, 202-204	18,900	\$6,750	\$7,425	\$14,850	\$25,988	\$37,125
201-204	25,200	\$9,000	\$9,900	\$19,800	\$34,650	\$49,500
Portland Ballroom						
251 or 256	4,000	\$1,475	\$1,623	\$3,245	\$5,679	\$8,113
253, 254, 257 or 258	4,200	\$1,525	\$1,678	\$3,355	\$5,871	\$8,388
252 or 255	4,700	\$1,625	\$1,788	\$3,575	\$6,256	\$8,938
251-258 or 256-257	8,200	\$3,000	\$3,300	\$6,600	\$11,550	\$16,500
253-254 or 253-258 or 254-257	8,400	\$3,050	\$3,355	\$6,710	\$11,743	\$16,775
251-252 or 255-256	8,700	\$3,100	\$3,410	\$6,820	\$11,935	\$17,050
252-253 or 254-255	8,900	\$3,150	\$3,465	\$6,930	\$12,128	\$17,325
251-257-258 or 256-257-258	12,400	\$4,525	\$4,978	\$9,955	\$17,421	\$24,888
252-253-254 or 253-254-255	13,100	\$4,675	\$5,143	\$10,285	\$17,999	\$25,713
251-256-257-258	16,400	\$6,000	\$6,600	\$13,200	\$23,100	\$33,000

253-254-257-258	16,800	\$6,100	\$6,710	\$13,420	\$23,485	\$33,550
251-252-253-258 or 254-255-256-257	17,100	\$6,150	\$6,765	\$13,530	\$23,678	\$33,825
252-253-254-255	17,800	\$6,300	\$6,930	\$13,860	\$24,255	\$34,650
251-252-253-254-257-258	25,500	\$9,200	\$10,120	\$20,240	\$35,420	\$50,600
253-254-255-256-257-258	25,500	\$9,200	\$10,120	\$20,240	\$35,420	\$50,600
251-252-253-254-255-256-257-258	34,200	\$12,300	\$13,530	\$27,060	\$47,355	\$67,650