

RECEIVED APR 10 1992

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 157


Approving new rental and equipment rates for the Oregon Convention Center commencing July 1, 1992 and effective through June 30, 1996 as attached.

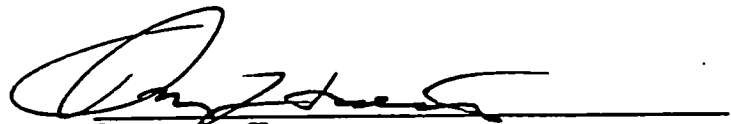
The Metropolitan Exposition-Recreation Commission finds:

1. That current rental rates expired on December 31, 1991;
2. That these rates were in effect for a three-year period beginning in May of 1988;
3. That a survey has been conducted of similar facilities in competitive markets as well as a solicitation of comments from users regarding the proposed rental rates; and
4. That the Commission anticipated an adjustment to rental and service / equipment rates based on competition, facility usage and operational requirements.


BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the attached rental and service / equipment rates commencing July 1, 1992 and effective through June 30, 1996 as attached.

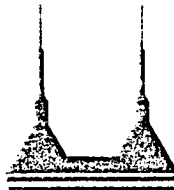
Passed by the Commission on April 8, 1992.


Chairman


Secretary-Treasurer

APPROVED AS TO FORM:


Metro General Counsel



OREGON
CONVENTION
CENTER

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P.O. Box 12210, Portland, Oregon 97212
(503) 235-7575

April 3, 1992

MEMORANDUM

TO: Metropolitan Exposition-Recreation Commission
FROM: Jeffrey A. Blosser *JAB*
SUBJECT: OCC Rental and Service Rates

The Metropolitan Exposition-Recreation Commission approved rental rates for the Oregon Convention Center in May of 1988 and equipment, labor and service rates in July of 1990. All of these rates were effective through December of 1991 and have been extended through the 1991-92 Fiscal Year.

Surveys were conducted by staff to determine the competitiveness of OCC rates with other facilities throughout the country and specifically the West. These 29 responses were compiled, and staff has concluded that the rates at the Oregon Convention Center are below the national averages and are very competitive as they relate to our ability to attract convention and trade show business.

While the Center has been successful in attracting all types of business, there still is an operating deficit, and projections show that the operation will never achieve better than a break-even budget with all overages being covered by the Hotel / Motel Tax as originally anticipated.

Staff met with two local convention and meeting planners who produce all types of events at the Center to discuss the philosophy and reasons for rate increases. Staff also met with the MERC / OCC Liaison Commissioners to discuss the results of our meeting with Mike Fisher and Clayton Hannon.

Raising the rates was not a particular problem with the show producers, given that a multiple-year structure was formulated so groups would not receive a large rental increase in one year. This would also allow show management on all levels to budget properly for their events. The following three suggestions were made by this ad hoc group as integral conditions for the raising of OCC rates:

- 1) That the new income generated would be used to maintain the facility and service of the Center in a first-class condition, and that no OCC revenues or funds would be used to offset deficits in the operation of other MERC facilities.

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- 2) That a capital improvement fund and policy be adopted and budgeted each year so the Convention Center has the necessary funds to upgrade and maintain the facility in the future. This new fund would also allow for rental and service rates to remain competitive since funds for capital projects would not come directly from operation of the facility.
- 3) That an advisory committee be established from the users of the Oregon Convention Center, appointed by MERC, to help OCC staff and MERC Commissioners with issues related to the industry. This group would be advisory in nature with no power to regulate policy or pricing, but would provide MERC with industry viewpoints prior to decision-making.

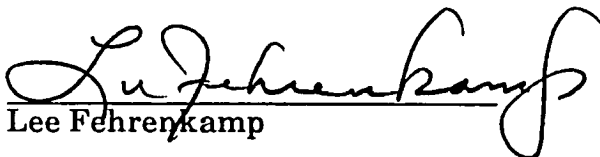
Staff feels that these suggestions are very good and should be part of the explanation of the proposed rental and equipment rate increase schedule.

Recommendation

Staff recommends that the Metropolitan Exposition-Recreation Commission adopt the attached rate schedule for the Oregon Convention Center.

JAB/II
Attachment

General Manager's Concurrence:


Lee Fehrenkamp

PROPOSED OREGON CONVENTION CENTER RENTAL AND EQUIPMENT RATE SCHEDULE

Fiscal Year 1992-93

- ▶ Increase exhibit hall rates from:
 - \$1,200 per hall to \$1,300 per hall (Convention rate)
 - \$1,500 per hall to \$1,650 per hall (Consumer / Public rates)This represents a 10% increase.
- ▶ Increase square footage rates from \$.12 per net square foot to \$.13 per net square foot per day.
- ▶ Increase ballroom rates from:
 - \$650 to \$700 per section (Convention rate)
 - \$2,600 to \$2,800 per full room rental (Convention rate)
 - \$700 to \$800 per section (Public / Consumer rates)
 - \$2,800 to \$3,200 per full room rental (Public / Consumer rates)These represent per day rentals.
- ▶ Increase all equipment rental, schedule of extra charges and OCC labor by 10%.
- ▶ Meeting room rental increase of \$25 per room. (See attached.)

Fiscal Year 1993-94

- ▶ No changes in rental rates.

Fiscal Year 1994-95

- ▶ Increase rental rates by 5% across the board for exhibit halls, ballroom and meeting room rates. Increase square footage rates from \$.13 to \$.14 per net square foot per day.
- ▶ Increase equipment rental, schedule of extra charges and OCC labor by the same 5%.

Fiscal Year 1995-96

- ▶ Increase square footage rates from \$.14 per net square foot to \$.15 per net square foot per day.

RENTAL RATE COMPARISONS

FACILITY NAME	EXHIBIT HALLS				BALLROOM		
	Sq. Ft.	Consumer / Public Events	Conventions / Trade Shows	Non-Commercial Events	Sq. Ft.	Commercial / Public	Convention / Trade Shows
AVERAGE OF ALL FACILITIES	0 - 30,000 30-60,000 60-90,000 90-120,000 120-150,000	\$2,315/day minimum \$3,233/day minimum \$6,251/day minimum \$7,297/day minimum \$8,460/day minimum	\$2,314/day minimum \$3,069/day minimum \$5,381/day minimum \$7,010/day minimum \$8,250/day minimum	\$1,914/day \$3,530/day \$4,966/day \$6,678/day \$7,019/day	0 - 6300 6300-12,600 12,601-18,900 18,901-25,200	\$501/day v. 12.38% receipts \$1,226/day v. 12.38% receipts \$2,002/day v. 12.38% receipts \$2,630/day v. 12.38% receipts	\$534/day vs. \$.189/nsf \$1,244/day v. \$.189/nsf \$1,868/day v. \$.189/nsf \$2,443/day v. \$.189/nsf
CURRENT OCC RENTAL RATES 4 Exhibit Halls	30,000 60,000 90,000 120,000 150,000	\$1,500 vs. 15% gross receipts \$3,000 vs. 15% gross receipts \$4,500 vs. 15% gross receipts \$6,000 vs. 15% gross receipts \$7,500 vs. 15% gross receipts	\$1,200/day \$2,400/day \$3,600/day \$4,800/day \$6,000/day \$.12/nsf/day vs. minimum. Additional move-in/out days at half flat rate.	\$1,500/day \$3,000/day \$4,500/day \$6,000/day \$7,500/day Move-in/out at half flat rate / day.	6,300 12,600 18,900 25,200	\$700-Public \$700 vs. 15% - Commercial \$1,400/day \$2,100/day \$2,800/day Move-in/out at half rate/day	\$650/day \$1,300/day \$1,950/day \$2,600/day Move-in/out at half rate/day
PROPOSED OCC RENTAL RATES	SEE	ATTACHED MEMO	FOR PROPOSED	FOUR-YEAR	RATE	STRUCTURE.	

All halls average square foot per day: \$.1171
 All halls average percent of gross receipts: 12.19%

See attached rate sheet for proposed new Meeting Room rental rates.

MEETING ROOM RATE COMPARISON

Meeting Rooms Series A & C	Current Rent	Proposed Rent	Square Footage
A-101 / C-128	\$ 25	\$ 50	165
A-102 / C-127	25	50	263
A-103 / C-126	50	75	621
A-104 / C-125	75	100	756
A-103, 104 / C-125, 126	125	175	1,377
A-105 / C-124	200	225	1,874
A-106 / C-123	225	250	2,231
A-105, 106 / C-123, 124	350	425	4,105
A-107 / C-122	75	100	826
A-108 / C-121	75	100	737
A-107, 108 / C-121, 122	150	200	1,563
A-109 / C-120	75	100	783
A-108, 109 / C-120, 121	150	200	1,520
A-107, 108, 109 / C-120, 121, 122	225	300	2,346

Current -- Total: \$750 per day

Proposed -- Total: \$1,000 per day

33.5% increase

Meeting Rooms Series B	Current Rent	Proposed Rent	Square Footage
B-110	75	100	783
B-111	75	100	737
B-110, 111	150	200	1,520
B-112	100	125	937
B-111, 112	175	225	1,674
B-110, 111, 112	250	300	2,457
B-113	175	225	1,665
B-114	125	150	1,170
B-113, 114	300	375	2,835
B-115	125	150	1,170
B-114, 115	250	300	2,340
B-113, 114, 115	400	475	4,005
B-116	175	225	1,665
B-115, 116	300	375	2,835
B-114, 115, 116	400	475	4,005
B-113, 114, 115, 116	500	650	5,670
B-117	100	125	937
B-118	75	100	737
B-117, 118	175	225	1,674
B-119	75	100	783
B-118, 119	150	200	1,520
B-117, 118, 119	250	325	2,457

Current -- Total: \$1,000 per day

Proposed -- Total: \$1,275 per day

27.5% increase