

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution 97-24

Approval of Concession Menu for Civic Stadium and the Expo Center.

The Metropolitan Exposition-Recreation Commission finds:

1. Civic Stadium and the Expo Center both host events which draw family audiences;
2. Both facilities need to increase bottom line concession revenues;
3. Menu revisions should produce a reasonable profit yet be market-sensitive to patrons attending events at the facilities;
4. Stadium, Expo Center and Fine Host staff have reviewed the menus and put forth a recommendation:

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission directs staff and Fine Host Corporation to implement recommended concession menus for Civic Stadium and the Expo Center effective June 1, 1997.

Passed by the Commission on May 14, 1997.



Chair



Secretary-Treasurer

APPROVED AS TO FORM:
Daniel B. Cooper, General Counsel

By: 

Kathleen Pool
Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item/Issue: Civic Stadium and Expo Center Menu Pricing Effective June 1, 1997

DATE: May 14, 1997

Presented by: Candy Cavanagh and Chris Bailey

Background and Analysis: In November 1996 Stadium staff presented to the 1997/98 budget committee a report indicating revenues at Civic Stadium were projected to take a significant downturn. Although operating costs can be contained, this reduction in revenues results in an increased deficit. At that time, staff recommended one way to increase revenues would be to selectively adjust prices on the Stadium menu.

Although the Expo Center is expecting modest growth in its revenues this coming year, operations must still support a new facility and now carry debt service. Also, the Expo Center menu was last reviewed in July 1995 and, at that time, there were essentially no changes from the previous menu except for a few product upgrades.

With these operating challenges in mind, Stadium and Expo staff requested Fine Host to review each facility's menu and come back with a set of recommendations for staff review.

Attached is a menu and analysis from Fine Host to Stadium indicating their research. Fine Host suggests the recommendations made for Civic Stadium also be initiated for the Expo Center and that results will be similar. The analysis includes comparisons, where appropriate, to other facilities.

Fiscal Impact: Menu price adjustments should result in an approximate increase of \$100,000 in gross concession sales for each facility.

Discussions with Commission Liaisons and/or User Groups: In the 1997/98 budget review process, budget committee members Norris, Middleton, and Bell were briefed on the Stadium's situation and the staff's recommendation to review menu pricing was discussed. A written staff report was shared with the full Commission at that time.

Recommendation: Staff recommends approval of the new concession menu for Civic Stadium and the Expo Center to be effective June 1, 1997.

Portland Civic Stadium & Expo Center
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MEMORANDUM

May 2, 1997

To: Candy Cavanagh
Fr: Bruce Lee
Re: Concessions Price Increases

From our discussions over the past months we have determined that the need to proceed with price increases is a necessary evil in the stadium's current financial status.

Given the assumptions that we used for attendance fiscal year 97/98 for the Rockies and P.S.U. Football being at approximately 400,000; here are my thoughts:

Revenues have been maintained at a higher cost to keep them in line with previous years, i.e. Jumbo Pretzel sells for \$3.50 at a cost of \$0.53 or 15.1% whereas Super Pretzel sells for \$1.75 for a cost of \$0.22 or 12.6%. To put more on the bottom line we must obviously improve costs.

With the sacrifices cut from the capital budget, repairs and maintenance will remain the greatest portion of our controllable costs. This cost will continue to be quite constant. Therefore, to reduce costs we must look to Cost of Sales. If we improve profits in this area, the volume would put extra dollars on the bottom line.

As I have already shared with you, I do not necessarily feel that raising prices is always the way to go. However in this case, I feel that it would be a positive revenue builder. I base this on the per capita spending habits vs. Actual Attendance. You see, the highest per caps were produced when we had our largest crowds. This supports the theory that if we increase pricing the major events will produce significantly higher revenues with a less expensive cost of sales.

I propose that we increase the prices of some items and adjust sizing for others. This I believe would allow us to increase revenues over \$114,000. The overall increase in pricing would be about 7.87%. With this increased pricing the C.O.S. should drop about 2%. Yielding an overall savings in cost of over \$20,000 plus the additional profit for MERC available from the sales increase with a conservative estimate in the neighborhood of \$40,000. This would mean about \$60,000 in additional profit for MERC.

Those items which I would change are on the attached pricing comparison which we discussed previously. The following are current cost increases over the last six months from our purveyors:

<u>ITEM</u>	<u>NOTES</u>
Hot Dog	Cost already increased 15.3% due to market price of beef
Pretzel	Cost increase anticipated at 2.5% avg. Annual increase
Nachos	No cost increase anticipated
Super Nachos	No cost increase anticipated
Popcorn 46oz	Cost already increased 2.9%
Popcorn 85oz	Cost already increased 3.4%
Popcorn 130oz	Cost already increased 4.3%
Peanuts	Cost increase anticipated at 2.0% avg. Annual increase
Peanuts Jumbo	Cost increase anticipated at 2.0% avg. Annual increase
Novelty Ice Cream	Cost already increased 1.3%
Soda 12oz	Cost already increased 1.0%
Soda 14oz	Intended to replace 12oz
Soda 20oz	Cost already increased 1.1%
Soda Souvnir 32oz	Cost already increased 1.2%
Beer 12oz Dom	Cost already increased 1.0%
Beer 16oz Dom	Cost already increased 1.0%
Beer 16oz Micro	Cost already increased 1.0%
Pizza Items	No cost increase anticipated
BBQ Items	No cost increase anticipated
Kids Meal	Cost already increased 13.3%

FINE HOST CORPORATION
 PORTLAND EXPO CENTER & CIVIC STADIUM
 UPDATED 02-May-97

Concessions Items	Current Stadium Price	Current Expo Price	Proposed Stadium & Expo Price	Amount of Increase	Current OCC Price	Current Rose Garden Price	Average Movie Theatre Price
SNACKS							
Burger-Cheese / Hamburger	\$4.50	\$4.50	\$4.50 for 1/3 lb		\$5.50 w/ Side	\$4.50 for 1/4 lb	n/a
Burger-Garden	\$3.00	\$3.00	\$4.00	\$1.00	\$4.75	\$4.50	n/a
Chili Bowl	n/a	\$2.50	\$2.50		n/a	n/a	n/a
Chips	\$1.00	\$1.50 -2.75oz lg size	\$1.75	\$0.25	\$.075 (1oz)	n/a	n/a
Corn Cobettes	\$2.50	n/a	\$2.50		n/a	n/a	n/a
Fried-Chicken Nuggets	n/a	\$4.00	discontinue		n/a	n/a	n/a
Fried-Chicken Strips w/ Fries	n/a	\$8.50	\$8.50		n/a	\$7.50 for 2 w/ fries	n/a
Fried-Fish & Chips	n/a	\$4.00	discontinue		n/a	n/a	n/a
Fried-Fish (Cod) & Chips	n/a	n/a	\$8.50		n/a	n/a	n/a
Fried-Onion Rings	n/a	n/a	\$2.50		n/a	\$4.50	n/a
Fries-Jo Jos	n/a	n/a	\$2.50		n/a	n/a	n/a
Fries-Beer Battered Garlic	n/a	\$3.00	\$3.00		n/a	n/a	n/a
Fries-Regular	n/a	\$2.00	\$2.00		n/a	\$4.00	n/a
Fries-Small	n/a	\$1.50	\$1.50		\$1.75	\$2.50	n/a
Hot Dog-Corn Dog	n/a	\$2.00	\$2.25	\$0.25	n/a	n/a	n/a
Hot Dog-Jumbo	\$2.50	n/a	\$2.75	\$0.25	\$2.75	\$3.25	n/a
Hot Dog-Regular	\$2.00	\$2.00	\$2.25	\$0.25	\$2.00	\$2.75	\$2.25
I.C.-Frozen Soft Serve Cup	n/a	\$2.00	\$2.50	\$0.50	\$3.00	\$3.50	n/a
I.C.-Cone-Hand Dipped	n/a	n/a	n/a		n/a	n/a	n/a
I.C.-Cone-Soft Serve-Small	n/a	\$2.00	\$2.25	\$0.25	\$2.75	\$3.25	n/a
I.C.-Topping	n/a	\$0.75	\$0.75		\$0.75	\$0.75	n/a
I.C.-Waffle Cone	n/a	\$3.00	\$3.25	\$0.25	\$3.50	\$3.50	n/a
Kid's Meal	\$3.00	n/a	\$3.00		n/a	n/a	n/a
Nachos-Humonganachos	\$4.75	\$4.75	\$5.00	\$0.25	n/a	n/a	n/a
Nachos-Large w/ Chs & Salsa	\$3.00	\$3.00	\$3.25	\$0.25	\$3.25	\$4.00	n/a
Nachos-Regular w/ Cheese	\$2.25	\$2.25	\$2.50	\$0.25	\$2.25	\$3.00	n/a
Peanuts-Jumbo	\$2.50	n/a	\$3.00 for 8oz	\$0.50	n/a	\$3.00 for 7oz	n/a
Peanuts-Small	\$1.50	n/a	\$1.75	\$0.25	n/a	n/a	n/a
Pizza-Personal 6"	\$4.50	n/a	\$4.75	\$0.25	n/a	n/a	n/a
Pizza-Slice (veg / pep / Haw)	\$2.50	\$2.50	\$2.50		\$2.50	\$3.25	n/a
Popcorn-Jumbo	\$2.75	n/a	\$3.25	\$0.50	n/a	n/a	\$3.75
Popcorn-Large	\$2.25	\$2.25	\$3.00	\$0.75	n/a	\$3.50	\$3.00
Popcorn-Small	\$1.50	\$1.50	\$2.00	\$0.50	\$1.75	\$2.25	\$2.25
Pretzel-Giant	\$2.50	n/a	\$2.75	\$0.25	n/a	n/a	n/a
Pretzel-Super	\$1.75	\$1.75	\$2.00	\$0.25	\$1.75	\$2.00	\$2.25

Concessions Items	Current Stadium Price	Current Expo Price	Proposed Stadium & Expo Price	Amount of Increase	Current OCC Price	Current Rose Garden Price	Average Movie Theatre Price
SNACKS-cont.							
Salads	n/a	\$1-\$3.50	\$1-\$3.50		\$1.50-\$4.50	\$5.00	n/a
Sand-Chicken Breast w/ BBQ	\$4.50	n/a	\$5.00	\$0.50	\$5.75	\$5.25	n/a
Sand-Deli / Sub	n/a	\$3.50	\$4.00	\$0.50	\$4.75	\$6.00	n/a
Sand-Meatball Sub	\$3.75	\$3.75	\$4.25	\$0.50	n/a	n/a	n/a
Sand-Phillycheesteak	n/a	\$5.00	\$5.50	\$0.50	\$6.25	n/a	n/a
Sand-Steaktips	\$5.50	n/a	\$5.50		n/a	n/a	n/a
Sausage-Italian w/ Pepp & On	\$3.75	\$3.75	\$4.00	\$0.25	n/a	\$5.00	n/a
Sausage-Polish w/ Kraut	\$2.75	\$3.00	\$3.25 for 1/4lb	\$0.25-\$0.50	\$3.25 for 1/4lb	\$3.25 for 1/5lb	n/a
Sausage-Specialty	\$3.75	\$3.75	\$3.75 for 1/4lb		\$3.50 for 1/4lb	\$3.75 for 1/5lb	n/a
Sides-Slaw-Beans-Mac-Etc.	\$1.00	\$1.00	\$1.50	\$0.50	\$1.50	n/a	n/a
Soups-Asst or Stews	n/a	\$1.50	\$1.50		\$1.50	\$2.50	n/a
Sweets-Brownie	n/a	\$1.75	\$1.75		\$1.25	\$2.00	n/a
Sweets-Carmel Corn	\$3.00	\$3.00			n/a	n/a	\$3.50
Sweets-Chocolate Malt Cup	\$1.75	\$1.75	\$2.00	\$0.25	n/a	\$2.25	n/a
Sweets-Cinnamon Rolls / Croiss	n/a	\$2.00	\$2.50	\$0.50	\$2 (Smaller)	n/a	n/a
Sweets-Cookie Large	n/a	\$1.75	\$1.75		\$1.75	\$2.00	n/a
Sweets-Cotton Candy	\$2.00-\$5.00	\$2.00-\$5.00	\$2.00-\$5.00		n/a	\$3.00-\$5.00	n/a
Sweets-Crunch N Munch	\$3.00	\$3.00	\$3.00		n/a	n/a	n/a
Sweets-Donuts / Danish / Muffin	n/a	\$0.50-\$2.50	\$0.50-\$2.50		\$2 (Smaller)	n/a	n/a
Sweets-Italian Ice	\$1.75	\$1.75	\$2.00	\$0.25	n/a	\$2.00	n/a
Sweets-King Size Candy	\$1.75	\$1.75	\$2.00	\$0.25	\$2.50	\$2.00	\$3.50
Sweets-Licorice Rope	\$1.25	\$1.25	\$1.50	\$0.25	n/a	\$1.50	\$2.00
Sweets-Monster Cookie Sand	\$3.00	n/a	\$3.00		n/a	n/a	n/a
Sweets-Nut Dip Bar / YoCream	\$1.75	\$1.75	\$2.00	\$0.25	n/a	\$2.00	n/a
Sweets-Sno-Cone	\$1.50	\$1.50	\$1.50		n/a	\$2.50	n/a
Topping Chili / Cheese	\$0.50	\$0.50	\$0.75	\$0.25	\$0.75	\$0.75	\$1.00
BEVERAGES							
Beer-Domestic	\$3.50	\$3.50	\$3.75	\$0.25	\$3.75	\$4.00	n/a
Beer-Micro / Specialty	\$4.00	\$4.00	\$4.50		\$4.00	\$5.00	n/a
Coffee-Cappuccino / Espresso	\$2.00	\$2.00-\$3.50	\$2.00-\$3.50		\$2.50-\$3.50	\$3.00-\$5.00	n/a
Coffee-Large	\$1.50	\$1.25	\$1.50		\$1.50	\$1.75	\$2.00
Coffee-Small	\$1.00	\$0.75	\$1.00		\$1.00	\$1.25	\$1.50
Soft Drink-Small 12oz	\$1.25	\$1.25	discontinue		n/a	\$2.00	\$2.00
Soft Drink-Small 14oz	n/a	n/a	\$1.50		\$1.75	n/a	\$2.50
Soft Drink-Medium 20oz	\$2.00	\$2.00	\$2.25	\$0.25	\$2.25	\$2.50	\$2.75
Soft Drink-Souvenir 32oz	\$2.75	\$2.75	\$3.00	\$0.25	\$3.75	\$3.75	\$3.25
Soft Drink-Souvenir 44oz NEW	n/a	n/a	\$3.75		n/a	n/a	n/a
Water Bottled	\$2.00	\$2.00	\$2.25	\$0.25	\$2.00	\$2.50	\$2.50