

**METROPOLITAN EXPOSITION-RECREATION COMMISSION**

**RESOLUTION NO. 97-38**

**Adopting MERC Goals, Objectives and Benchmarks for Fiscal Year 1997/98**

The Commission finds that:

1. Under Metro Ordinance No. 97-677-B, section 6.01.100, MERC is required to report on its goals, objectives and benchmarks for each fiscal year to Metro's Regional Facilities Committee.
2. This is a transition year for MERC, following action by the City of Portland and Multnomah County to reaffirm joint management of the four regional facilities under MERC and to provide dedicated operational funding for PCPA and Civic Stadium; and following the authority granted by Metro to MERC to establish a more entrepreneurial and autonomous operation.
3. MERC's primary focus during this transition year should be to formulate new strategic and operational business plans for MERC and each of the facilities and to establish a more autonomous and entrepreneurial operation.
4. The document attached to this resolution as Exhibit A represents a solid blueprint for actions and operations by MERC and the facilities for fiscal year 1997-98.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission adopts the goals, objectives and benchmarks for MERC and the regional facilities for fiscal year 1997/98 as put forth in the document attached as Exhibit A.

Passed by the Commission on July 9, 1997

  
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Chair

  
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Secretary/Treasurer

Approved as to Form:  
Daniel B. Cooper, General Counsel

By:   
\_\_\_\_\_  
Kathleen Pool  
Senior Assistant Counsel

## MERC Staff Report

**Agenda Item/Issue:** Adopting MERC Goals, Objectives and Benchmarks for Fiscal Year 1997/98

**Resolution No.:** 97-38

**Date:** July 9, 1997

**Presented by:** Mark B. Williams

### **Background Analysis:**

The document attached as Exhibit A of MERC resolution no. 97-38 spells out MERC goals objectives, and benchmarks for fiscal year 1997/98, a transition year. The Commission reviewed, discussed and commented upon the draft of this document, including the business plan goals for MERC and each facility, at its work session on Saturday, June 28. The Commissioner's comments have been incorporated into this final document. The business plan outlines for EXPO and MERC are being developed to incorporate the work session discussion and will be presented to the Commission at its August meeting. The draft document was provided to the Metro Regional Facilities Committee, the Metro Council, and the Metro Executive Officer on June 24, 1997, well in advance of the 10 days prior to formal adoption by the Commission required by Metro Ordinance No. 97-677-B.

**Fiscal Impact:** This resolution does not have a fiscal impact. The goals, objectives, and benchmarks correspond to the fiscal year 1997-98 budget approved by the Commission and by Metro.

**Recommendation:** Staff recommends approval of Resolution No. 97-38 adopting MERC goals, objectives and benchmarks for fiscal year 1997/98.

**MERC GOALS, OBJECTIVES AND BENCHMARKS**  
**FISCAL YEAR 1997/98**  
**(July 1997)**

**I. INTRODUCTION**

This document sets out the Metropolitan Exposition-Recreation Commission's (MERC) goals and benchmarks for fiscal year 1997/98, pursuant to section 6.01.100 of Metro Ordinance No. 97-677-B.

This is a transition year for MERC. Following two years of uncertainty about the commission's future, the City of Portland and Multnomah County acted in December to reaffirm joint management of the four regional facilities under MERC. The governments provided dedicated funding for operations over the next five years. In January 1997, Metro adopted Ordinance No. 97-677-B, providing MERC with the authority to operate in a more entrepreneurial and autonomous manner.

MERC's primary focus during this transition year is to establish a more autonomous and entrepreneurial operation, pursuant to Metro Ordinance No. 97-677-B, and to formulate and update strategic and operational business plans now that the future of MERC is certain and a stable financial operation achieved. These plans will set out MERC and facility goals and benchmarks for the next three years.

**II. GOALS, OBJECTIVES AND BENCHMARKS FOR FISCAL YEAR 1997-98**

The Commission's goals and benchmarks during this fiscal year may be summarized as follows:

**A. MERC ADMINISTRATION**

1. Produce new MERC Mission Statement (see draft mission statement attached as Appendix A).
2. Produce new three-year business plans for MERC and for each of the facilities. Plans will set out accomplishments made under the 1994 business plans and define goals and objectives for the next three fiscal years. Target completion date is December 1997.
3. Implement changes to comply with Ordinance No. 97-677-B, including:
  - evaluating and changing procurement procedures for support services;
  - revamping contracting procedures;
  - establishing the format and standards for the global budget;

- simplifying and streamlining approval and review processes for MERC budget revision and adjustments and MERC resolutions;
  - identify related actions to ensure an entrepreneurial, cost-effective, and accountable operation overall.
- 3) Establish mechanisms to enable the commission to exercise the responsibilities inherent in MERC's greater autonomy.
  - 4) Formulate a MERC marketing communications plan, which will include formal communications mechanisms for regular reporting by the commission to elected officials at the City, County, State, and regional levels.
  - 5) Complete the compensation study and implement adjustments. Develop and lay the groundwork for implementation of a performance-based compensation system in fiscal year 1998-99.
  - 6) Throughout this transition year, continue to:
    - manage the regional facilities in a business-like manner, maximizing revenue and containing costs;
    - provide superior customer service to users and patrons;
    - attract events and audiences to the facilities that meet the mission of each individual facility;
    - devote special attention to the physical needs of the facilities to bring them to first-class condition following the wear and tear of the 'belt-tightening' years of certain of the previous business plans.

## **B. CIVIC STADIUM**

- 1) Establish Civic Stadium Advisory Committee to serve as advisors to and advocates for the Stadium (see draft advisory committee mission statement attached as Appendix B).
- 2) Establish strategic plan to chart out a future role for Stadium that is responsive to community needs.\*
- 3) Seek to attract new business, such as world cup soccer.
- 4) Operate Civic Stadium in a business-like manner.
- 5) Demonstrate the facility's value to the community now and into the future.

\* Note: "Civic Stadium Business Plan -- Phase II: Beyond the Year 2000", was produced in 1996. This will provide the framework for the Advisory Committee and for formulating Stadium's strategic plan.

### **C. PORTLAND CENTER FOR THE PERFORMING ARTS**

- 1) Produce new three year PCPA business plan. Plan will set out accomplishments made under the 1994 business plan and define goals and objectives for the next three fiscal years (see draft business plan outline attached as Appendix C).
- 2) Direct special attention to strategic investments in the facilities to address needs which have developed through deferred maintenance, with balanced attention to renewal, replacement, maintenance, and cleanliness of exterior surfaces, public audience areas, support and stage areas and equipment.
- 3) Continue to provide high quality, appropriate service to audiences, users and artists at the least possible cost so that a broad spectrum of activities can occur at the facilities for large and diverse audiences.
- 4) Book and carry out approximately 1,025 performances/events in the 4 theatres of PCPA (approximately 140% efficiency utilization by industry standards).
- 5) Continue to reduce the number of non-use days in the Arlene Schnitzer Concert Hall, Intermediate, and Winningstad theatres.
- 6) Increase ticket sales and attendance at all events to generate increased revenue to the presenters and user fee revenue to PCPA; sustain annual attendance at events in excess of 1,100,000 per year.
- 7) Maximize commercial events consistent with the PCPA mission, particularly at the Arlene Schnitzer Concert Hall and the Civic Auditorium, including annual mega-hit events.
- 8) Increase revenue from concessions and merchandise sales commissions to the extent feasible.

### **D. OREGON CONVENTION CENTER (OCC)**

- 1) Produce new three year OCC business plan. Plan will set out accomplishments made under the 1994 business plan and define goals and objectives for the next three fiscal years (see draft OCC business plan outline attached as Appendix D).
- 2) Lay the groundwork for completion of OCC Phase II.
- 3) Focus on providing superior customer service.
- 4) Establish a program to maintain a first class quality facility, including the establishment of a permanent housekeeping/maintenance crew whose sole charge is to keep the facility in first class condition.
- 5) Continue to balance success in attracting national and regional conventions, which produce the greatest economic benefits, with local citizen access to the facility as a major meeting and entertainment venue.
- 6) Improve infrastructure in the district surrounding the OCC, including major hotel rooms in the Lloyd Center area, convention improvements to the Rose Quarter, and Fareless Square continuation to the Convention Center/Lloyd District.

## **E. PORTLAND METROPOLITAN EXPOSITION CENTER (EXPO)**

- 1) Produce new three year EXPO business plan. Plan will set out accomplishments made under the 1994 business plan and define goals and objectives for the next three fiscal years.
- 2) Formulate strategic plan for the new building.
- 3) Market the new building, Hall E.
- 4) Maintain and improve the previously existing facilities and grounds.
- 5) Initiate the long-term preservation of funds in an amount sufficient to repay the new building construction loan to Intel within the allotted term.
- 6) Initiate the long term preservation of landscaping funds in conformance with the new building conditional use permit....
- 7) Begin replenishment of the Renewal and Replacement Fund.
- 8) Initiate development of a master plan for the facilities and grounds, to incorporate additional exposition buildings, landscaping, marina construction, renovation of old exhibit buildings not targeted for replacement, parking, and RV park.

## DRAFT MERC MISSION STATEMENT

The mission of the Metropolitan Exposition-Recreation Commission (MERC) is to provide quality stewardship in the operation, management, development, and promotion of the region's public assembly and convention facilities.

MERC shall:

- Promote and honor diversity in all of its operations
- Provide cost-effective, entrepreneurial management accountable to public purposes and regional governments
- Maximize the opportunities for financial return to the community
- Serve as an advocate for regional and public investment in its facilities
- Serve as the lead planning agency for current and future facility development, expansion or renovation
- Provide high quality events and services to the metropolitan community, customers, and visitors

## **CIVIC STADIUM ADVISORY COMMITTEE**

### ***Mission***

The Civic Stadium Advisory Committee shall serve as the official advisory committee to Metropolitan Exposition-Recreation Commission (MERC) for Stadium matters, including principally those pertaining to the mission, goals, and objectives of Civic Stadium. The Committee shall provide input regarding the operation of the facility and the shaping of Stadium's future needs, such as capital replacement and modernization plans. The members of the Committee shall serve as high-profile advocates for the Stadium with government agencies and officials, the business community, the media, and the general public. The Committee will facilitate communications with users, neighborhood businesses and the industry as a whole. MERC shall provide adequate staff assistance to the Committee.

### ***Goals***

1. Retain Civic Stadium as a community-oriented, general-purpose outdoor venue.
2. Modernize Civic Stadium consistent with a cost-benefit analysis of investments to create a marketable, self-sustaining facility that is compatible with its surrounding neighborhood.
3. Fund the modernization from a mix of public and private sources, with the aim of minimizing direct property taxpayer cost.
4. Coordinate modernization with community efforts to seek additional and/or major league franchise(s) for Portland.

### ***Tasks***

The initial task of the Stadium Advisory Committee will be to formulate a plan of action to accomplish these Stadium goals.

### ***Structure***

#### **Appointment & terms:**

The Advisory Committee shall consist of 12-14 members.

Members of the Advisory Committee shall be appointed by the MERC Commission to serve three-year terms. Members of the Committee may be re-appointed.

The City Commissioner designated as liaison to MERC, or his/her representative; and the two City-appointed MERC Commissioners shall be ex-officio members of the committee but shall not be entitled to a vote.



**Officers:**

The Advisory Committee shall establish officer positions and elect its officers according to the terms it shall deem appropriate.

**Policies & Procedures:**

The Civic Stadium Advisory Committee shall establish its own rules, by-laws, and determine its own procedures for all matters for consideration or action by the committee. The committee shall hold regular meetings at the call of the chair.

**PCPA mission:**

Now that the financial crisis has been averted and a financially stable operation achieved, PCPA is ready to concentrate on fulfilling its broader mission in the community, as outlined in the PCPA mission statement:

*The Portland Center for the Performing Arts exists to foster an environment where artists and audiences gather to enrich the human spirit:*

*It shall:*

- *Stimulate, entertain, educate and challenge Portland metropolitan area audiences.*
- *Encourage the development of a diverse range of performing arts events and audiences.*
- *Assist and nurture existing, as well as developing, performing artists and organizations.*
- *Provide and preserve superior, well maintained and managed performance spaces.*

Provided that a financially viable and stable operation is maintained, all components of the PCPA mission will stem from its success in *providing and preserving superior, well-maintained and managed performance spaces*. The Center's facilities must be adequate in quality and quantity if PCPA is to successfully meet its other goals. In addition, an entrepreneurial, cost-effective operation that maximizes returns and holds down costs is necessary to maintain a financially viable and stable operation.

The 1994 business plan set out four stages for realization of the PCPA mission. These remain valid for the current plan:

**First stage:** simple rental operation with few services and minimal management.

**Second stage:** increase services and management to ensure that the spaces are well maintained and used.

**Third stage:** subsidize and nurture local arts organizations.

**Fourth stage:** possible full service operation providing many outreach activities, an extensive education program, and access for a broad range of citizens.

PCPA fulfilled the mission of the first stage under the 1994 business plan, and began to build the services, and undertake the repairs and urgent capital projects to realize stage two. With implementation of reduced user fees and streamlined rental rates, initial progress was made in the third stage. The emphasis of the current business plan is to complete stage two, and concentrate more fully on stages three and four. Transcending all four stages is a continued emphasis on maintaining an entrepreneurial, financially viable, operation.

To achieve these goals, the second business plan calls for PCPA to focus on the following key areas over the next three years:

- I. **Continue to refine operational structure, procedures and services to enhance revenue and cost-effectiveness, meet user needs, and maintain an entrepreneurial operation.**
  - I.a. **Audience and revenue growth**
  - I.b. **Adopt regular 3-year, market-based rental rate structures**
  - I.c. **Establish new operational structure for stage labor**
  - I.d. **Utilize volunteers more effectively**
  - I.e. **Examine catering, concessions, merchandising fees, and other revenue sources.**
- II. **Establish multi-year renewal, replacement and facility enhancement plan to bring all facilities to first class condition.**
- III. **Meeting growing demand and future needs: Examine facility requirements.**
- IV. **Enriching our Youth: Education Programs.**
- V. **'Beyond the Walls:' Outreach programs that carry the performing arts into our communities.**

- I. **Continue to refine operational structure, procedures and services to enhance revenue and cost-effectiveness, meet user needs, and maintain an entrepreneurial operation.**

**I.a. Audience and Revenue Growth**

Audience growth is a means both to realize PCPA's mission by reaching a broader base of the community and to increase revenue to the Center and the User.

Under the 1994 plan, PCPA achieved more efficient utilization of the halls by reducing the number of non-use days, and by achieving above average utilization and higher quality activity where possible. More intensive use of the large halls was made by shifting more events to the ASCH. Price incentives were instituted to reduce the number of load-in / load-out days. PCPA attracted profitable commercial shows, especially the Broadway series, which both benefited Portland metropolitan audiences and raised revenue for the center.

The objective for the current plan is to build on PCPA's success and increase attendance at each performance to meet or exceed the National Standard of 70%.

## **Goals and targeted strategies by theatre:**

Civic Auditorium: 70% achieved. Goal: increase to 75%

ASCH: Currently at 58%. Goal: 70%. Strategy: Tighten leasing standards: for events of 60% or more; reduced capacity events served less often.

Intermediate Theatre: Currently at 60%. Goal: 70%. Strategy: increase marketing support

Winningsstad Theatre: Currently at 50%. Goal: 60%. Strategy: increase marketing support

## **General Strategies:**

- Achieve remaining efficiencies in use of halls.
  - Refine booking policies for each of the four halls.
  - Conduct analysis of users/audiences: Which performances bring in the most people? Which segments of the community do we need to target?
- Conduct marketing, publicity and outreach to untapped portions of the community; cross market events
- Strengthen and capitalize on FRIENDS efforts (events, calendar, speakers bureau)
- Participate in cultural tourism promotion efforts.
- Increase attendance at no-cost / low-cost performances through better packaging, publicity, and promotion
- Build future audiences through youth programs (see goal IV. below)
- Reach new segments of the community through Beyond the Walls activities (see goal V. below)
- Reach new audiences through collaboration with the cultural district.

## **I.b. Adopt regular 3-year, market-based rental rate structures**

Under the 1994 business plan, PCPA streamlined rental rates into fewer categories and brought commercial rates in line with actual cost of operation of each hall and with market rates in comparable facilities. The discount schedule for non-profit users was revised wherever possible to bring rates into line with actual cost of operation. A new four-tier schedule of rents was adopted for fiscal years 1995-96, 1996-97, and 1997-98.

Since rental income is a significant revenue source for PCPA, it is important to keep pace with market conditions and to set fair rates for all users. Predictability

of rates for at least 3 years is critical to PCPA and its users in developing plans and budgets for performance seasons.

- Continue small increment increases each year (4%)
- Reexamine existing waivers (use events summary analysis tool)

**I.c. Establish new operational structure for stage labor**

Effective July 1997, PCPA will no longer serve as the "middleman" by providing stage labor to the users of its facilities. An operational structure under development will ensure adequate supervision, safety, continuity of labor, maintenance, and repair of PCPA equipment and the halls, while permitting PCPA to concentrate on its more important roles as landlord of the halls.

**I.d. Utilize volunteers more effectively**

**I.e. Examine catering, concessions, merchandising fees, and other revenue sources.**

**II. Establish multi-year renewal, replacement, and facility enhancement plan to bring all facilities to first class condition.**

Renewal and replacement is critical to PCPA's ability to fulfill its central mission of providing and preserving superior, well maintained performance spaces. Background: all except emergency capital expenditures were deferred under the 1994 plan.

- What's been achieved and what's in progress (see attached for fiscal year 1997-98 Capital Projects Plan)
- Analysis of medium and long term capital requirements.
- Establish priorities; reexamine needs (e.g. type of carpet for ASCH)
- Determine need for donation/naming opportunity campaign (based on priorities established)
- Identify other funding sources – financial support from City and County not sufficient to cover capital spending

**III. Meeting growing demand and future needs: Examine facility requirements.**

As outlined in its mission statement, PCPA's role is to provide superior performance spaces. PCPA must ensure that these performance spaces are

adequate in size and type to fulfill its other goals, namely, to assist and nurture existing, as well as developing, performing artists and organizations; to stimulate and develop Portland metropolitan area audiences; and to develop diverse range of performing arts events.

- PCPA is operating at 140% capacity, which cannot be sustained on a long term basis.
- Demand by presenters and audiences exceeds current capacity
- Congestion on calendar stifles rather than nurtures local performing arts companies – PCPA’s mandate is to help these companies to grow
- Early in the next millennium the community will need more performance space.
- At 100-125% utilization it is standard to begin planning for additional facilities:
- Analyze optimum use of halls / optimum number of major users per hall, optimum type of major user for each hall
- Gather and assess information on performance space and scheduling needs of Principal Tenants – can PCPA meet those needs with existing facilities?
- Analyze optimum pattern/mode of expansion: e.g. specialized theatre?
- Examine growth pattern of other centers – e.g. Seattle’s situation in the 60’s was similar to Portland’s in the 1980’s
- Build affiliations with educational institutions with the objective to become a more cooperating system of stages
- Identify potential funding sources

#### **IV. Youth Education Programs**

Youth education programs enrich the spirit of our youth, and help them to develop self-confidence, creativity, and skills for every area of life. These programs nurture and develop future performing artists and audiences.

PCPA initiated programs for youth in 1992 during summer dark days in the New Theatre Building. PCPA created the framework, and worked with resident companies (Tygres Heart, Tears of Joy and Oregon Children’s Theatre Company) to create the curriculum and select faculty for the classes. When PCPA resources were reduced in 1993 and 1994, the initiative for the summer program shifted to the resident companies and to Neil DuPonte, who had conceived and developed an inter-disciplinary Metro Arts Day Camp. PCPA’s role has been to provide the framework, performance spaces, and in-kind staff support for these programs.

It is appropriate now to establish criteria to evaluate these programs and the adequacy of support from PCPA in order to develop first-class youth education programs.

- Research other center’s youth education programs
- Establish criteria for effectiveness

- Examine: program character, content, time, cost, support
- Evaluate current programs and select those with maximum effectiveness
- Assess which facilities are best suited for youth programs and best suited to PCPA's schedule of revenue-producing performances
- Determine whether PCPA has adequate facilities for youth programs
- Assess support needed for youth programs
- Establish strategy to cross-market youth programs

**V. 'Beyond the Walls' – Outreach programs that carry the performing arts into our communities**

Bringing the performing arts 'beyond the walls' and into our communities is a key means for PCPA to stimulate, entertain, educate and challenge Portland metropolitan area audiences; and to encourage the development of a diverse range of performing arts events and audiences.

Examine the potential for PCPA to provide the framework for users, including commercial users, to take their performances and artists to fixed venues or an array of venues, including:

- ◊ neighborhoods
- ◊ colleges, schools
- ◊ hospitals
- ◊ community centers

- Look at programs in other centers
- Examine the resources needed to do this  
e.g. Education department

# **DRAFT**

## **Introduction**

In 1994, when MERC began the business plan process, the Oregon Convention Center (OCC) could count three full years of outstanding performance. The Center was nearing capacity and faced growing demand. OCC's challenge was to remain competitive in the convention business in order to continue its rich contributions to the region.

The principal goal of the MERC and OCC business plans was to achieve a financially stable operation. This was defined as realizing the Center's potential for cost-cutting and revenue enhancement, without any sacrifice to outstanding service. The plan called for a \$500,000 annual contribution to renewal and replacement; full funding of marketing and advertising programs; and maintenance of an adequate reserve to cover unanticipated economic downturns, capital needs, future development and other contingencies.

The business plan stated that additional economic benefits of the convention business could only be realized with investments in expanded capabilities, including hotel rooms, exhibit space, meeting rooms, transportation, and parking. The plan called for OCC to conduct analysis and planning for these investments.

OCC fully met the 1994 business plan goals, while continuing to exceed expectations in every area of performance. Among OCC's accomplishments over the three year business plan period are the following:

- **Increased earned revenue:**
  - Exceeded all projections for attendance, sales and revenue; achieved capacity occupancy in 1994.
  - Established OCC business center which improved customer service needs.
  - Fully funded marketing and advertising programs and instituted new advertising initiatives, which brought in new business.
  - Rented outside banners to OCC users to promote their events.
  - Achieved efficiencies in OCC utilization by coordinating bookings with EXPO, transferring consumer events to that facility and freeing up space for more profitable trade shows and conventions.
  - Worked in conjunction with Lloyd District to improve transportation needs, security communications and change relationships with local businesses.
  
- **Reduced costs efficiently without sacrifice to current service levels:**
  - Froze staff's annual merit pay increases for 3 years. Only COLA increases were given and a one-time reward for efficient performance in June 1996.



- Achieved efficiencies/streamlined operations, continued electrical consumption reduction using different lighting controls and equipment.
- Continued to improve recycling program to reduce waste costs with cardboard, pallet/wood recycling.
- Achieved \$500,000 annual contribution to Renewal and Replacement; maintained goal of \$2.5 million and maintained a minimum reserve of \$3.5 million every final year.
- Began to lay the groundwork to complete the original OCC plans for an additional 120,000 square feet for a total of 270,000 square feet of exhibit space 30,000 - 40,000 square feet meeting rooms and 35,000 square feet ballroom.
  - Commissioned feasibility study by Price Waterhouse to examine the market for expansion.
  - Obtained commitment from Metro to consider a bond measure for completion.
  - Launched a public awareness program for OCC around the theme 'OCC-At the Center of Success.'
  - Engaged an architecture firm to complete preliminary design and cost evaluation for completion
  - Initiated business leader Hospitality and Arts Industry efforts to mobilize support of completion of Oregon Convention Center.
- Commissioned a comprehensive economic impact study by CIC Research and Dean Runyan Associates that documented the major economic benefits OCC has brought to the region.
- Allocated \$600,000/year out of hotel/motel tax allocation to subsidize PCPA operations and \$100,000 per year for RACC.
- Achieved optimum event mix, ensuring that facility served local community needs and generated maximum economic impact through convention and trade show bookings.
- Maintained first class quality service; received facilities magazine award from 1996-97 planners.

### **OCC mission**

*The Oregon Convention Center is the primary facility for diverse usage by conventions, trade shows, and local events. The mission of the Center is to provide a framework to generate economic benefit in the State of Oregon and the Metropolitan Region of Portland through the following:*

- *Provide the highest degree of cost effective tenant and patron services;*

- *Maximize the use of the Center through a mix of national convention and local event marketing efforts;*
- *Maintain a commitment of quality to the facility and its services for all users and attendees;*
- *Attract the maximum amount of economic impact generated by convention, trade show and out of town attendees for the Metropolitan Region and the State.*

OCC was envisioned to serve as a key component of a regional development strategy designed to increase jobs and improve the quality of life within the urban growth boundary. OCC has exceeded all projections in meeting this objective, as well as in fulfilling each goal articulated in its mission statement. In order to continue its outstanding performance and to fulfill its mission, OCC must take steps to ensure that it remains at the forefront of the rapidly changing and highly competitive convention business market.

OCC has been operating at capacity for two years and is turning away convention business that would further benefit the regional economy. Trends in the convention business and at other comparable/competitive centers, client responses, and developments in the Portland area hotel industry point to strategies that OCC must adopt in order to remain competitive.

### **Goals and Objectives of 1998-2001 Business Plan**

To fulfill its mission in this context, the second business plan calls for OCC to focus on the following key areas over the next three years:

- I. Complete the OCC's original plans, to provide an additional 330,000 square feet of facility of which is 110-115,000 is exhibit space, 35,000 square feet ballroom and including 30,000 more square feet of meeting room space.**
  - I.a. Continue public awareness program**
  - I.b. Implement bond measure campaign (to be done by our private sector partners)**
  - I.c. Select and staff Blue Ribbon Campaign Committee (to be done by our private sector partners)**
  - I.d. Prepare financial package**
  - I.e. Select architects/construction companies to complete work**
  
- II. Provide superior customer service**
  - II.a. Establish new rental rates (premier package)**
  - II.b. Enhance service orientation/instill service orientation in employees**

**III. Complete and implement new three-year marketing plan**

**III.a. Contingencies with/without completion**

**III.b. POVA role**

**III.c. National advertising campaign & selection of advertising firm**

**IV. Conduct ongoing, post-completion public awareness program**

**V. Establish a program to upgrade physical structure and maintain a first class quality facility**

**V.a. Establish permanent housekeeping/maintenance crew to keep facility in first class shape.**

**V.b. Establish state of the art public communication avenues and enhance advertising opportunities.**

**V.c. Maintain continual upgrade communication, electrical computer and phone line capabilities to service events and customers.**

**V.d. Continued to budget funds for facility upkeep, equipment replacement, and building maintenance.**

**VI. Maintain competitive, cost-effective, entrepreneurial operation**

**VI.a. Identify untapped revenue sources**

**VI.b. Identify potential expense areas to target for reduction**

**VI.c. Assess contracted vs. in-house services; identify potential savings**

**VI.d. Keep abreast of developments at comparable/competitor centers to ensure OCC's provision of first class services, facilities, technology.**

**VI.e. Develop plan to ensure OCC provision of cutting-edge technology in convention services**

**VI.f. Coordinate with other MERC facilities to ensure more entrepreneurial operations in areas including global budgeting, services, and contracting.**

**VII. Assess potential for merging OCC/EXPO operations**

**VII.a. Identify potential efficiencies and cost-savings**

**VII.b. Identify areas/groups best suited to merging (all vs. selected)**

**VII.c. Allocate shows between the two facilities to ensure the most efficient utilization of each facility**

**VII.d. Assess staffing needs, operational issues**

**VIII. Invest in Employees**

- VIII.a. Implement employee recognition program**
- VIII.b. Implement retreat training and awards programs**
- VIII.c. Place renewed emphasis on and expand training opportunities and Career Development Program**
- VIII.d. Establish/promote facility values; clarify and publicize zero-tolerance policy regarding discrimination or unfair treatment of employees**
- VIII.e. Contract with Metro for full-time MERC human resources professional to handle employee concerns, grievances in addition to regular human resources issues; option to contract for this service directly in the event that Metro/MERC service provision agreement is terminated or revised.**

**IX. Contribute to revitalization of the Lloyd District by:**

- IX.a. Supporting an hotel development in the district**
- IX.b. Support the extension of fareless square to Lloyd district.**
- IX.c. Continue to support enhancement of security communications and safety related issues.**
- IX.d. Remain a good business and community neighbor.**
- IX.e. Support and initiate pedestrian improvements to connect OCC with Lloyd Center, hotels, attractions and Rose Quarter.**

## **PCPA Business Plan Outline**

1998-2001

**DRAFT**

### **Introduction**

Three years ago, PCPA faced a severe financial crisis and possible closure. Through a public, participatory process launched in September 1993, a three year business plan was developed for PCPA. The overriding objective of the plan, completed in March 1994, was to keep PCPA doors open and achieve a financially stable operation.

PCPA achieved this objective. Over the past three years, PCPA successfully implemented the combination of cost-cutting and revenue enhancing measures under the business plan, and achieved financial stability through the following accomplishments:

- Obtained interim funding for 3 years, stabilizing operations in the short term while longer term funding was sought and secured.
- Increased earned revenue:
  - Increased the number of touring Broadway shows and mega-hits; adopted rent and profit-sharing agreements with the series.
  - Raised percentage rents on concerts or other profitable commercial attractions.
  - Implemented 3-year, streamlined rental rate schedule, adjusted on 'ability to pay' basis and with fees covering actual costs.
  - Improved efficiency of hall utilization: reduced number of non-use days; achieved above average utilization and higher quality activity where possible. Made more intensive use of large halls by shifting more events to ASCH. Instituted price incentives to reduce load-in / load-out days.
  - Improve the profitability of concessions.
- Contained costs:
  - Froze staff's annual merit pay increases for 3 years. Only COLA increases were given and a one-time reward for efficient performance in June 1996.
  - Reduced staff.
  - Eliminated marketing department.
  - Deferred non-critical capital projects.

In December 1996, PCPA obtained long term, dedicated operational funding when Multnomah county pledged to allocate annually out of hotel/motel tax revenues \$1.2 million to PCPA, and \$200,000 to market the PCPA and support the region's cultural tourism efforts; and the City of Portland pledged \$300,000 for PCPA non-profit tenant user fee reduction and \$300,000 for PCPA and Stadium operations.