

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 2000-06


Approval of Increase to Concession Menu Prices for the Oregon Convention Center.

The Metropolitan Exposition-Recreation Commission finds:

1. The Oregon Convention Center has not increased its concession menu prices since 1997.
2. Costs for labor, food, beverages, deliveries and alcohol taxes have increased annually.
3. Menu revisions will produce a reasonable profit yet be market-sensitive to patrons attending events at the Center.
4. OCC staff, as well as the OCC Advisory Committee, have reviewed the menu price increases and put forth a recommendation of effectiveness.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission directs staff and ARAMARK to implement recommended increases to concessions menu prices at the Oregon Convention Center effective February 1, 2000.

Passed by the Commission on January 19, 2000.


Chair


Secretary-Treasurer

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

By: 
Kathleen Pool, Sr. Assist. Counsel

MERC STAFF REPORT

Agenda Item/Issue: Approval of increase to Concession Menu Prices for the Oregon Convention Center

Resolution No.: 2000-06

Date: January 19, 2000

Presented by: Jeffrey A. Blosser,

Background and Analysis: In 1997, OCC concession menu prices were increased to produce a reasonable profit, yet be market-sensitive to patrons attending events at the Center. OCC also experienced a major change by improving the food options available through major renovation of the concessions stands to food court-like operations. ARAMARK staff has outlined, per the attached documents, the justification for such increases in addition to the inflationary ones.

Since 1997, costs for labor, food, beverages, deliveries and alcohol taxes have increased annually. OCC staff, ARAMARK Management and the OCC Advisory Committee have reviewed the proposed increases and are recommending the MERC Commission approve the recommended increases.

Financial Impact: These increases will have a very positive impact on concession revenues with anticipated increase of 5-7% annually.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission approve Resolution No. 2000-07; and, direct staff to implement the incases to concessions menu prices at the Oregon Convention Center effective February 1, 2000.

Key Item Concession Pricing

Dragon Café and Orbit Café

Item	Current OCC	PCPA	Expo	Houston	Seattle	Rose Garden	Suggested Price
Beverages							
Bottled Water	2.00	2.25	2.50	2.00	1.25	2.75	2.25
Snapple	2.25	2.25	2.25	n/a	2.00	n/a	2.50
Fruit Juice	2.25	n/a		2.50	n/a		Same
16oz soda	1.75	1.50	1.50	N/A	2.00	2.25	Same
20oz soda	2.25	2.00	2.25	2.00	2.50	3.25	2.50
32oz Souvenir Cup	3.75	n/a	3.00	3.00			Same
Coffee - 10oz	1.00	1.00	1.00	n/a	n/a	1.50	xxxx
Coffee - 12 oz	1.50	2.00	1.50	1.75	2.00	2.50	Same
Coffee - 16 oz	New	N/A	n/a	2.00	2.50		2.00
Espresso Bar							
Café Latte 12oz	2.50	n/a	2.50		2.75	3.00	Same
Café Latte 16oz	3.50	n/a	3.00		3.25	4.00	Same
Café Mocha 12oz	2.50	n/a	1.50		3.00	3.00	Same
Café Mocha 16oz	3.50	n/a	2.50		3.50	4.00	Same
Cappucino 12oz	2.50	n/a	2.50		2.75	3.00	Same
Cappucino 16oz	3.50	n/a	3.00		3.00	4.00	Same
Espresso	1.50	n/a	1.50		1.50	2.00	Same
Herbal Tea	1.50	1.50			1.25	2.00	Same
Flavored Syrup	0.25	n/a	0.50		0.25	0.50	Same
Baked Goods							
Muffins	1.50	1.50	1.75	2.00	2.00	n/a	2.00
Scones	1.50	n/a	2.00	n/a	n/a	n/a	xxxx
Ass't Pastries	2.00	n/a	2.00	n/a	n/a	n/a	Same
Cookies	1.25	1.50	-1.50	1.50	1.25	n/a	1.50
Brownies	1.25	1.50	1.50	n/a	n/a	n/a	1.50
Bagels	2.00	n/a	n/a	2.25	1.50	n/a	Same
Breakfast Items							
Egg and Sausage Biscuit	2.50	n/a	2.50	n/a	n/a	n/a	Same
Breakfast Burrito	3.00	n/a	n/a	3.25	n/a	n/a	Same
Breakfast Croissant	3.00	n/a	2.50	n/a	n/a	n/a	xxxx
Lunch Items							
Deli Sandwich	4.75	n/a	5.00	6.50	4.50	6.50	5.50
Wrap Sandwiches	n/a	n/a		6.50	4.50	n/a	4.75
Caesar Salad	4.50	n/a	n/a	4.25	4.50		Same
Chef Salad	4.50	n/a	n/a	n/a	n/a		5.50
Garden Salad	2.50	n/a	n/a	4.25	n/a		3.50
Soup of the Day	1.50	n/a	2.50	3.00	n/a		2.50
Specialty Cakes	2.50	4.00	n/a	n/a	n/a		xxxx
Beer							
Micro Brewed Beer - 16oz	3.75	3.50	4.50	n/a		5.50 (12oz)	4.50
Domestic Beer - 16oz	3.50	3.50	3.75	4.00		4.50 (12oz)	4.00

Oregon Convention Center Pricing Increase Justification

The current concession prices at the Oregon Convention Center have been in place for approximately two years. In that two years the state of Oregon has increased the minimum wage by \$.50 thus increasing the wage required to attract and keep qualified employees in the concession stands. In addition the cost of food items has also increased. As discussed in the September 15th MERC Commissioners meeting (regarding the backstage café), food prices increase year over year from wholesalers. While this increase is not as dramatic in typical concessions type items (i.e. hot dogs, candy, soda, etc) the nature of the concession stands at the Convention Center lend themselves to freshly prepared products and items that may be more effected by market swings and availability of products. ARAMARK Corp. wants to continue providing a high quality product in all our areas of operation. The pricing increases recommended are a reflection of that commitment to quality while still keeping the price points reasonable so that the customer can continue to have a positive perception of value.

The following is a list of some of the items for which we have recommended a price increase. The attached competitive analysis compares the pricing to facilities within MERC as well as two other Convention Centers of similar size and the Rose Garden and lists the new suggested prices.

Orbit Café / Dragon Café / Concession Stand B

- Bottled Water- Brings pricing into line with other MERC buildings. No resistance to price point in those locations.
- Snapple - High demand item. Served in a 20oz paper cup with ice. Would mirror new price of same size soda.
- 20oz Soda - Most popular size soda. Moves closer to the median of small and large sizes.
- Coffee - Elimination of 10oz cup – move to 12oz and 16oz Starbucks coffee and bump price by \$.50. Old price/lb – 3.89 / new price/lb 5.97
- Muffin- Increasing size of muffin; increase customer perception of value
- Deli Sandwich Made to order sandwich does require more labor. Still would have strong perception of value for the customer. Uses fresh products with limited shelf life
- Deli Wrap New item – some limited introduction has been well received.
- Chef Salad Currently priced the same as a caesar but has meats, veggies & egg
- Garden Salad A 32oz container of mixed greens. Currently under priced at 2.50
- Micro Brewed Beer 16oz cup - average price of Micro Brewed kegs - \$95-\$125
- Domestic Beer 16oz cup – reasonable pricing for serving size

Specialty Stands

Rose City Grill

- Hamburgers New item! Includes fries and has been a hot seller in recent tests.
- Chicken Breast Improving size and look of current product as well as adding fries
- Garden Burger Including Fries in purchase price
- Chicken Fingers New Item! A very popular menu item in all our buildings!
Somewhat expensive due to cost but always a top seller.

Enzo's Pizza – Pizza by the Slice

- Chicken Caesar Another strong seller not on menus currently but very popular
- Pizza by the slice Prices are low compared to competition and use of fresh toppings
Calls for a minimal price increase

The Wok – Bento/Chinese

- 1 & 2 Item combos Very popular due to large portions at a low price. In order to continue large portions need to increase price. Also upgrading second option from a frozen chicken wing to a beef or pork option

Chili Pepper – Mexican Style Cuisine

- Changing the pricing strategy to increase value perception. Currently all items are sold a la carte for this stand. New pricing reflects all items including rice and beans. This increases the perceived value by the customer by packaging the sides with each item.

International Grill

- Actually lowered the price of a Hot Dog by \$.25 felt pricing was too high for product being offered. The remaining products remained the same price.

Top This - Frozen Yogurt

- Only price increase here is for the Sundae. This is the most labor intensive item on the menu. Debated taking the item off but determined there is some call for it and all the components are carried in the this or other stands (chocolate syrup, cookies, brownies, toppings).