

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 99-20

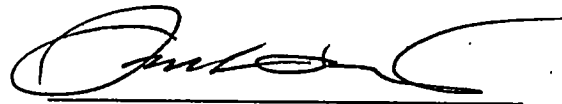
Approving an increase to FY 1999-00, FY 2000-01 and FY 2001-02 Exhibit Hall, Ballrooms, Twin Tower Plus Package and some Meeting Room rental rates for the Oregon Convention Center effective July 1, 1999.

The Metropolitan Exposition-Recreation Commission finds:

1. That there is a need to raise rental rates at the Oregon convention Center to increase operating revenues and accomplish the budgetary goals set by the MERC Commission.
2. 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 to help the Convention Center position its rate structure to remain competitive and to maintain the first class quality of facilities and services.
3. That the Commission has the authority to set rental rates for its facilities based upon competition, facility usage and operational requirements.

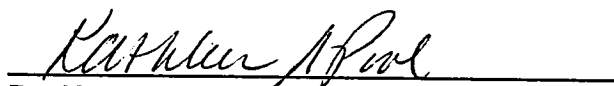
BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the increased rental rates for the Oregon Convention Center Ballrooms, Exhibit Halls, Twin Tower Plus Package and certain Meeting Rooms, attached as Exhibit A, to be effective July 1, 1999.

Passed by the Commission on May 19, 1999.



Chair.

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


Secretary/Treasurer
By: Kathleen Pool, Sr. Assist. Counsel
Senior Assistant Counsel

OCC TTPP Proposed Rental Rate Increases- Exhibit A

Meeting Room	FY 98-99 Rate	Proposed 99-00, 00-01, 01-02 Rates
A103, C126	\$250	\$300
A104, C125	\$300	\$325
A103-04, C125-26	\$400	\$500
A105, C124	\$525	\$625
A106, C123	\$575	\$750
A105-06, C123-24	\$975	\$1,250
A107, C122	\$325	\$375
A108, C121	\$300	\$325
A107-08, C121-22	\$475	\$575
A109, C120	\$300	\$350
A108-09, C120-21	\$475	\$525
A107,08,09 C120,21,22	\$675	\$775
B110	\$300	\$325
B111	\$300	\$325
B110-11	\$450	\$525
B112	\$350	\$400
B111-12	\$500	\$600
B110,11,12	\$675	\$800
B113	\$500	\$600
B114	\$400	\$475
B113-14	\$750	\$900
B115	\$400	\$475
B114-15	\$650	\$775
B113,14,15	\$1,025	\$1,225
B116	\$500	\$600
B115,16	\$750	\$900
B114,15,16	\$1,025	\$1,225
B113,14,15,16	\$1,400	\$1,700
B117	\$350	\$400
B118	\$300	\$325
B117,18	\$500	\$600
B119	\$300	\$325
B118, 19	\$450	\$525
B117,18,19	\$675	\$800
Ballrooms 201-204		
Ballroom 1 Section	\$1,400	\$1,600
Ballroom 2 Sections	\$2,600	\$3,000
Ballroom 3 Sections	\$3,900	\$4,400
Ballroom 4 Sections	\$5,100	\$5,800

EXHIBIT A - PROPOSED EXHIBIT HALL/BALLROOM RENTAL RATES FOR 99/2000, 2000/01, 2001/02

RATE SCHEDULE	EXHIBIT HALL	GROSS	NET SQUARE	NET SQUARE	MINIMUM	MINIMUM
2		SQUARE	FOOT RENTAL	FOOT RENTAL	DAILY	DAILY
CONVENTIONS		FOOT	PER DAY	PER DAY	RENTAL	RENTAL
			7/1/99-Approved	PROPOSED	7/1/99-Approved	PROPOSED
	A	30,000 PER HALL	\$0.17	\$0.19	\$1,800.00	\$2,000.00
	A-A1, A1-B, C	60,000	\$0.17	\$0.19	\$3,600.00	\$4,000.00
	A-A1-B, OR B-C	90,000	\$0.17	\$0.19	\$5,400.00	\$6,000.00
	A1-B-C	120,000	\$0.17	\$0.19	\$7,200.00	\$8,000.00
	A-A1-B-C	150,000	\$0.17	\$0.19	\$9,000.00	\$10,000.00
	BALLROOM 201-204	GROSS	NET SQUARE	NET SQUARE	MINIMUM	MINIMUM
		SQUARE	FOOT RENTAL	FOOT RENTAL	DAILY	DAILY
		FOOT	PER DAY	PER DAY	RENTAL	RENTAL
			7/1/99-Approved	PROPOSED	7/1/99-Approved	PROPOSED
	ONE SECTION	6,300	N/A	N/A	\$900.00	\$1,000.00
	TWO SECTIONS	12,600	N/A	N/A	\$1,800.00	\$2,000.00
	THREE SECTIONS	18,900	N/A	N/A	\$2,700.00	\$3,000.00
	FOUR SECTIONS	25,200	N/A	N/A	\$3,600.00	\$4,000.00
RATE SCHEDULES	EXHIBIT HALL	GROSS	MINIMUM	MINIMUM		
4 & 5		SQUARE	DAILY RENTAL	DAILY RENTAL		
CONSUMER & COMMERCIAL		FOOT	VS. 15%	VS. 15%		
			TICKETS	TICKETS		
			7/1/99-Approved	PROPOSED		
	A	30,000 PER HALL	\$2,100.00	\$2,200.00		
	A-A1, A1-B, C	60,000	\$4,200.00	\$4,400.00		
	A-A1-B, OR B-C	90,000	\$6,300.00	\$6,600.00		
	A1-B-C	120,000	\$8,400.00	\$8,800.00		
	A-A1-B-C	150,000	\$10,500.00	\$11,000.00		
	BALLROOM 201-204	GROSS	MINIMUM	MINIMUM		
		SQUARE	DAILY RENTAL	DAILY RENTAL		
		FOOT	VS. 15%	VS. 15%		
			TICKETS	TICKETS		
			7/1/99-Approved	PROPOSED		
	ONE SECTION	6,300	\$1,000.00	\$1,100.00		
	TWO SECTIONS	12,600	\$2,000.00	\$2,200.00		
	THREE SECTIONS	18,900	\$3,000.00	\$3,300.00		
	FOUR SECTIONS	25,200	\$4,000.00	\$4,400.00		

PROPOSED MEETING ROOM RENTAL RATES FOR 99/2000, 2000/01, 2001/02

Exhibit A					
Oregon Convention Center Meeting Room Rental Rates - Proposed Increases					
				<u>PROPOSED</u>	
<u>NAME OF ROOM</u>	<u>SQUARE</u>	<u>OLD RENT</u>	<u>MERC APPROVE</u>	<u>FYS 99-00,00-01</u>	
	<u>FOOT</u>	<u>AS OF 6/30/99</u>	<u>as of 7/1/99</u>	<u>01-02</u>	<u>Variance</u>
A103 C126	621	\$ 100.00	\$ 125.00	\$ 125.00	\$0
A104 C125	756	\$ 125.00	\$ 150.00	\$ 150.00	\$0
A103-104 C125-126	1377	\$ 225.00	\$ 275.00	\$ 275.00	\$0
A105 C124	1874	\$ 300.00	\$ 375.00	\$ 375.00	\$0
A106 C123	2231	\$ 325.00	\$ 425.00	\$ 450.00	\$25
A105-106 C123-124	4105	\$ 625.00	\$ 800.00	\$ 825.00	\$25
A107 C122	826	\$ 150.00	\$ 150.00	\$ 175.00	\$25
A108 C121	737	\$ 125.00	\$ 150.00	\$ 150.00	\$0
A107-108 C121-122	1563	\$ 275.00	\$ 300.00	\$ 325.00	\$25
A109 C120	783	\$ 150.00	\$ 150.00	\$ 150.00	\$0
A108-109 C120-121	1520	\$ 275.00	\$ 300.00	\$ 300.00	\$0
A107-109 C120-122	2346	\$ 425.00	\$ 450.00	\$ 475.00	\$25
B110	783	\$ 125.00	\$ 150.00	\$ 150.00	\$0
B111	737	\$ 125.00	\$ 150.00	\$ 150.00	\$0
B110-111	1520	\$ 250.00	\$ 300.00	\$ 300.00	\$0
B112	937	\$ 175.00	\$ 175.00	\$ 200.00	\$25
B111-112	1674	\$ 300.00	\$ 325.00	\$ 350.00	\$25
B110 - 111 - 112	2457	\$ 425.00	\$ 475.00	\$ 500.00	\$25
B113	1665	\$ 275.00	\$ 325.00	\$ 325.00	\$0
B114	1170	\$ 200.00	\$ 225.00	\$ 250.00	\$25
B113-114	2835	\$ 475.00	\$ 550.00	\$ 575.00	\$25
B115	1170	\$ 200.00	\$ 225.00	\$ 250.00	\$25
B114-115	2340	\$ 400.00	\$ 450.00	\$ 500.00	\$50
B113 - 114 - 115	4005	\$ 675.00	\$ 775.00	\$ 800.00	\$25
B116	1665	\$ 275.00	\$ 325.00	\$ 325.00	\$0
B115-116	2835	\$ 475.00	\$ 550.00	\$ 575.00	\$25
B114 - 115 - 116	4005	\$ 675.00	\$ 775.00	\$ 800.00	\$25
B113 - 114 - 115 - 116	5670	\$ 950.00	\$ 1,100.00	\$ 1,150.00	\$50
B117	937	\$ 175.00	\$ 175.00	\$ 200.00	\$25
B118	737	\$ 125.00	\$ 150.00	\$ 150.00	\$0
B117-118	1674	\$ 300.00	\$ 325.00	\$ 350.00	\$25
B119	783	\$ 125.00	\$ 150.00	\$ 150.00	\$0
B118-119	1520	\$ 250.00	\$ 300.00	\$ 300.00	\$0
B117 - 118 - 119	2457	\$ 425.00	\$ 475.00	\$ 500.00	\$25

NET SQUARE FOOT RATES COMPARISON

FACILITY/CITY	NET SQUARE FOOT RATE	% ABOVE/BELOW OCC	
		vs \$.17	vs\$.19
Georgia World Congress/Atlanta	\$0.46	171%	142%
Meydenbauer Center/Bellevue	\$0.25	47%	32%
McCormick Place/Chicago	\$0.50	194%	163%
DenverCC/Denver	\$0.00	0%	0%
Commonwealth CC/Louisville	\$0.45	164%	137%
Minneapolis CC/Minneapolis	\$0.23	35%	21%
SMG-MobileCC/Mobile	\$0.50	194%	163%
Palm Springs CC/Palm Springs	\$0.17	0%	-11%
Pennsylvania CC/Philadelphia	\$0.40	135%	111%
Oregon CC/Portland	\$0.17	0%	-11%
Salt Lake CC/Salt Lake City	\$0.18	6%	-5%
San Antonio CC/San Antonio	\$0.22	29%	16%
San Diego CC/San Diego	\$0.30	76%	58%
McCormey Center/San Jose	\$0.25	47%	32%
Santa Clara CC/Santa Clara	\$0.23	35%	21%
Moscone Center/San Francisco	\$0.25	47%	32%
Washington State CTC/Seattle	\$0.20	18%	5%
Average	\$0.30	76%	58%

MERC STAFF REPORT

Agenda Item/Issue: Approving an increase to FY 1999-00, FY 2000-01 and FY 2001-02 Exhibit Halls, Ballrooms, and some meeting room rental rates for the Oregon Convention Center effective July 1, 1999.

Resolution No.: 99-20

Date: May 19, 1999

Presented by: Jeffrey A. Blosser

Background Analysis: The Metropolitan Exposition-Recreation Commission approved FY 1999-00, FY 2000-01 and FY 2001-02 rental rates for the Oregon Convention Center on March 11, 1998 with Resolution No. 98-11.

Since that time, several developments have resulted in staff reviewing these approved rates and recommending a change to them for the next three years.

- 1) The Oregon Convention Center expansion project has been approved to move forward beginning April of 2000. Staff is concerned about raising rental rates during construction as well as the costs for event management, client problems, no parking revenue and other unbudgeted costs that may be associated with expansion. Staff has identified some of these costs – others are unknown.
- 2) At the direction of the Commission Budget Committee and approval of the Oregon Convention Center budget by the full MERC Commission, staff was instructed to find ways to improve the operating revenue as well as keep the fund balance as solid as possible through the next few years. Staff made expenditure cuts and added events to the catering roles to increase revenues and explained to both the MERC Budget Committee and the full MERC Commission that increasing rental rates and parking charges would also be a part of this solution. Staff recommended an increased revenue projection for the 1999-00 budget with the understanding that rental rates would need to be increased.

Staff is recommending the acceleration of approved rates for FY 1999-00, FY 200-01 and FY 2001-02 at this time to accomplish the revenue wishes of the Commission and not raise rates during the two-year OCC expansion project. By raising the rates now, the desired result of both the Commission and staff is achieved.

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

The OCC Advisory Committee at two separate meetings has reviewed the rates and no major concerns have been registered.

Fiscal Impact: The increase in certain rental rates will result in an increase of an estimated \$94,800 in FY 1999-00.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission approves the attached increased rental rates for the Oregon Convention Center Ballrooms, Exhibit Halls, Twin Towers Plus Package and certain meeting rooms effective July 1, 1999.