

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 02-31

**For the purpose of approving the implementation of a user fee and facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06 at the Portland Metropolitan Exposition Center.**


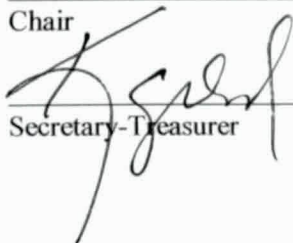
WHEREAS, the Commission adopted a five-year strategic plan and program that identifies goals and strategies for each of its business units through 2006 to include, in part, the development of a plan and approval of percentage rental or user fees and the approval of facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06 at the Portland Metropolitan Exposition Center; and

WHEREAS, in collaboration with staff, the Ad Hoc Expo Center Licensee Committee and the Expo Center Advisory Committee have reviewed and recommended the implementation of a user fee and facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the implementation of the following user fees and facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06 at the Portland Metropolitan Exposition Center:

1. Effective July 1, 2003, a user fee of 6% of ticket sales, with a minimum of \$.50 per ticket, will be assessed;
2. All user fee revenue and expenditures will be identified and accrued for use strictly associated with the Expo Phase III construction project;
3. The Commission assures that it will not increase the user fee without first holding a public review process and receiving comments by the Expo Advisory Committee;
4. Events that both sell fewer than 3,000 tickets and generate gross ticket sales of less than \$15,000, run of show, are exempt from the application of a user fee;
5. Facility rental rates for user fee events for Fiscal Year 2003-04 through Fiscal Year 2005-06 are established as shown on attached; and
6. Facility rental rates for non-ticketed and user fee exempt events for Fiscal Year 2003-04 through Fiscal Year 2005-06 are established as shown on attached Exhibit B.

Passed by the Commission on September 25, 2002.

  
\_\_\_\_\_  
Chair  
  
\_\_\_\_\_  
Secretary-Treasurer

Approved As To Form:  
Daniel B. Cooper, General Counsel

By:   
\_\_\_\_\_  
Lisa Umscheid  
Senior Assistant Counsel

**Facility Rental Rates  
Ticketed Events with User Fee**

Locations	Fiscal Year 2003-2004	Fiscal Year 2004-2005	Fiscal Year 2005-2006
<b>Exhibit Halls</b>			
A	\$1,900	\$2,000	\$2,050
B	\$1,450	\$1,525	\$1,575
C	\$2,400	\$2,550	\$2,625
D	\$3,850	\$4,100	\$4,200
D1	\$1,925	\$2,050	\$2,100
D2	\$1,925	\$2,050	\$2,100
E	\$5,700	\$6,050	\$6,250
E1	\$2,850	\$3,025	\$3,125
E2	\$2,850	\$3,025	\$3,125
<b>Exhibit Halls in Combination</b>			
AB	\$3,100	\$3,275	\$3,375
ABC	\$5,500	\$5,825	\$6,000
ABCD	\$8,500	\$9,000	\$9,275
ABCDE	\$12,000	\$12,700	\$13,075
CDE	\$10,000	\$10,600	\$10,900
DE	\$8,350	\$8,850	\$9,125
<b>Meeting Rooms</b>			
D 101	\$100	\$105	\$110
D 102	\$75	\$80	\$85
D 103	\$200	\$210	\$215
D 201	\$275	\$300	\$310
D 202	\$150	\$160	\$165
D 203	\$150	\$160	\$165
D 204	\$150	\$160	\$165
D 205	\$100	\$110	\$115
E 101	\$105	\$110	\$115
E 102	\$125	\$135	\$140
VIP Room	\$105	\$110	\$115
<b>Miscellaneous</b>			
Connector	\$235	\$250	\$260
Exterior	\$250	\$265	
Hall A Lobby	\$315	\$335	\$345
Hall D Lobby	\$1,350	\$1,425	\$1,470
Hall E Lobby	\$1,525	\$1,625	\$1,675
Lounge	\$150	\$160	\$165

**Facility Rental Rates  
Non-Ticketed & User Fee Exempt Events**

<b>Locations</b>	<b>Fiscal Year 2003-2004</b>	<b>Fiscal Year 2004-2005</b>	<b>Fiscal Year 2005-2006</b>
<b>Exhibit Halls</b>			
A	\$2,325	\$2,400	\$2,475
B	\$1,775	\$1,825	\$1,875
C	\$2,950	\$3,050	\$3,150
D	\$4,750	\$4,900	\$5,050
D1	\$2,375	\$2,450	\$2,525
D2	\$2,375	\$2,450	\$2,525
E	\$7,000	\$7,200	\$7,400
E1	\$3,500	\$3,600	\$3,700
E2	\$3,500	\$3,600	\$3,700
<b>Exhibit Halls in Combination</b>			
AB	\$3,800	\$3,900	\$4,025
ABC	\$6,700	\$6,900	\$7,100
ABCD	\$10,375	\$10,675	\$11,000
ABCDE	\$14,625	\$15,050	\$15,500
CDE	\$12,200	\$12,550	\$12,925
DE	\$10,200	\$10,500	\$10,800
<b>Meeting Rooms</b>			
D 101	\$105	\$110	\$115
D 102	\$80	\$85	\$90
D 103	\$210	\$215	\$220
D 201	\$300	\$310	\$320
D 202	\$160	\$165	\$170
D 203	\$160	\$165	\$170
D 204	\$160	\$165	\$170
D 205	\$110	\$115	\$120
E 101	\$110	\$115	\$120
E 102	\$135	\$140	\$145
VIP Room	\$110	\$115	\$120
<b>Miscellaneous</b>			
Connector	\$250	\$260	\$270
Exterior	\$265	\$275	
\$285			
Hall A Lobby	\$335	\$345	\$355
Hall D Lobby	\$1,425	\$1,470	\$1,515
Hall E Lobby	\$1,625	\$1,675	\$1,725
Lounge	\$160	\$165	\$170

## MERC Staff Report

**Agenda item/Issue:** Approving the implementation of a user fee and facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06 at the Portland Metropolitan Exposition Center.

**Resolution No.:** 02-31

**Date:** September 25, 2002

**Presented by:** Chris Bailey

**Background:** The Commission adopted a five-year strategic plan and program that identifies goals and strategies for each of its business units through 2006. The purpose of this resolution, therefore, is to secure the Commission's approval to implement two of the Expo Center strategies contained within the program.

Goal 2.c of the Expo Center's program primarily provides for 1.) the approval of parking fees for Fiscal Years 2002-03 and 2003-04; 2.) the creation of an ad hoc Expo Center licensee committee; 3.) the development of a plan and approval of percentage rental or user fees; and 4.) the approval of facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06.

Parking fees for Fiscal Years 2002-03 and 2003-04 were approved by the Commission in January 2002 and the establishment of an ad hoc Expo Center licensee committee was accomplished at the May 2002 Expo Center Advisory Committee meeting.

In collaboration with staff, the Ad Hoc Expo Center Licensee Committee then participated in several work sessions associated with developing recommendations related to the two remaining strategies. Upon completion, the committee then reported their findings and recommendations to the Expo Center Advisory Committee in August 2002.

The Ad Hoc Committee report included the following comments and recommendations regarding the two strategies:

### Development of a plan and approval of percentage rental or user fees

*The Ad Hoc Expo Licensee Committee recognizes the Strategic Plan/Implementation documents and the significance of beginning to secure funds towards the Phase III construction project while concurrently maintaining financial stability for the facilities.*

*In reviewing the percentage rental and user fee analysis worksheets, it is readily apparent that the application of a user fee is far more productive in achieving the desired result.*

*However, it is equally evident and strongly recommended that event producers have sufficient notice to consider and budget for such a fee; that all net user fee revenue and expenditures must be distinct, secured and only associated with Phase III; assurance that the fees will not be adjusted without public review; and that a conditional waiver will exempt certain events from application of a user fee thereby minimizing the loss of those events due to an aggregate financial impact.*

Approval of facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06.

*As a fully self-supporting public facility, the committee is aware that the Expo Center experiences operational cost increases as well as non-operational increases in support costs and debt service. The committee is further aware that rental rates represent a major resource and that they were last approved to be effective April 2001.*

*In reviewing the proposed increases, the committee concurs that the methodology is fundamentally valid in projecting future rental rates. However, the committee is equally sensitive to the aggregate impact on users of the Expo Center in simultaneously applying both a user fee and rental increases.*

*Recommendation:*

*In consideration of the foregoing, the Ad Hoc Expo Licensee Committee recommends approval in applying a user fee and increasing facility rental rates contingent upon the following stipulations:*

- *Effective July 1, 2003, a 6% of ticket sales with a minimum of \$.50 per ticket sold User Fee will be assessed;*
- *All net user fee revenue and expenditures will be identified and accrued for use strictly associated with the Expo Phase III construction project;*
- *The Commission assures that it will not increase the user fee calculation elements without first executing a public review process and receiving comments by the Expo Advisory Committee;*
- *Events that do not sell at least 3,000 tickets and generate a gross sale of \$15,000, run of show, are exempt from the application of a user fee;*
- *Facility rental rates for user fee events will remain at the current rate through Fiscal Year 2003-04; will increase by approximately 6% for Fiscal Year 2004-05 and approximately 3% for Fiscal Year 2005-06; and*
- *Facility rental rates for non-ticketed and user fee exempt events will increase by approximately 6% for Fiscal Year 2003-04, 3% for Fiscal Year 2004-05 and 3% for Fiscal Year 2005-06.*

The Expo Center Advisory Committee concurred with the Ad Hoc Committee recommendations and are mutually recommending that the Commission approve the implementation of a user fee and facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06 based upon the noted conditions.

A letter of notification has been distributed to approximately fifty Expo Center licensees advising of the process, recommendations and further solicits their written comments or clarifying questions.

**Recommendation:** Staff recommends that the Commission approve the implementation of a user fee and facility rental rates for Fiscal Years 2003-04, 2004-05 and 2005-06 at the Portland Metropolitan Exposition Center, to include the noted conditions.