



METRO

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MINUTES

Metro Council Convention Center Committee

Thursday July 23, 1987

Councilor Ragsdale, chair, convened the meeting at 4:05 pm.

Present:

Committee Members

Councilor Mike Ragsdale, Chairman
Councilor David Knowles
Councilor George Van Bergen
Presiding Officer Richard Waker

Staff

Tuck Wilson
Kim Duncan
Neil McFarlane
Jan Schaeffer

Other

Executive Officer Rena Cusma
Councilor Jim Gardiner
Lee Fehrenkamp
Charlie Johnson
Rebecca Marshall
Chris Stone
Karen Whitman

Ray Phelps
Jennifer Sims

Metro Council

Richard Waker
Presiding Officer
District 2

Jim Gardner
Deputy Presiding
Officer
District 3

Mike Ragsdale
District 1

Corky Kirkpatrick
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Warren Kelley
District 7

Mike Bonner
District 8

Tanya Collier
District 9

Larry Cooper
District 10

David Knowles
District 11

Gary Hansen
District 12

Executive Officer
Rena Cusma

PROCEEDINGS

1. **Bond interest issue**

Harriet Sherburne explained the recommendation of the Advisory Committee on Design and Construction to retain the full amount of bond interest as an emergency fund. Although the project budgets a reasonable contingency, the magnitude of the project, the unpredictability of events, and the availability of these funds suggest to ACDC the desirability of placing them in a strategic reserve to be drawn upon only if necessary.

The executive officer stated her concern that retaining the interest requires a high tax rate next year when Metro may be going out for a tax base. Ray Phelps said the report to TSCC indicated interest would be used to reduce principal.

Councilor Van Bergen suggested following Ms. Cusma's

recommendation and revisiting the issue during budget development next spring. Some \$4.3 million in interest would remain at that time. Councilor Ragsdale agreed and requested staff to draft language to this effect for action at the next committee meeting. ACDC could present its case to the full Council subsequently.

2. Draft marketing guidelines report

Charlie Johnson of Laventhol & Horwath summarized his report, which recommends GPCVA to take the lead in convention center marketing, with convention center operating staff in support. This model is most prevalent and works best in convention cities around the country. Cities in which convention center staff assume front-line marketing responsibility end up with duplication of effort and wasted resources.

He believes GPCVA is a strong organization, as reflected by the high membership, portion of budget from membership dues, keen interest among members as reflected by the number attending weekly meetings, stability of funding over time, and the high quality of collateral materials. The sales staff is good; they need now more people and a new focus (the convention center). The work should start now, since Portland is 1-2 years behind San Diego and Seattle, where new centers also are under construction. GPCVA's key weakness at the moment is the absence of an executive director, but the search is in full gear and a new director should be on board by fall.

Charlie Johnson recommends an annual marketing budget of \$750,000, less than the \$1 million projected by CTS in order to provide a cushion for other operating needs. Links should be established between GPCVA and the convention center to share communication and information (a shared, computerized management information system is needed).

Councilor Van Bergen expressed concern that the hotel-motel tax from Multnomah County is not guaranteed (it was approved by ordinance); he would like the assurance to be statutory and for the tax to extend to Washington and Clackamas counties. Metro should have authority to levy the tax.

Councilor Knowles questioned whether marketing and the operating pro forma study (Laventhol & Horwath, with Charlie Johnson, is beginning a review of earlier projections for operational requirements at the convention center) would be for the convention center only or would assume joint operation of the Coliseum, Expo Center and the new center. The councilor will seek further information from staff on this and related questions.

Lee Fehrenkamp of the Memorial Coliseum commented that he independently has reached many of the same conclusions that are

in the report. Chris Stone of GPCVA said he and his colleagues are pleased with the report. They feel it is urgent to start soon with enhanced marketing, since Portland is behind.

Tuck Wilson reported he has asked GPCVA to prepare a marketing start-up proposal covering the next 90 days, taking the cue from the facility's newly gained fully funded status and the need to get the word out about this. He suggested a special meeting of the committee to review this July 30.

Karen Whitman reported the schedule for naming a new GPCVA director. Search firm is Murphy, Simmons and Stoll. By the first week of August it is expected the search will narrow to a list of 6-8 local and national candidates, from which 2-3 will be selected to make presentations to the executive committee. One or more of these then will be introduced to Metro, the City, and the county, the state, and the E-R commission (Councilor Ragsdale urged adding Clackamas and Washington counties), hoping a contract can be negotiated by the second or third week of August, allowing the new director to begin work after Labor Day.

Councilor Ragsdale set the special meeting of the committee devoted to marketing for August 6.

The committee noted a letter on the draft marketing plan by Councilor Cooper, who is out of town but who was able to meet with Charlie Johnson to review his concerns before he left.

3. Land acquisition issues

The committee considered in executive session acquisition of two proposed properties on the convention center site for amounts over the original PDC estimate. Purchases were recommended for approval by the full Council, which will consider the matter this evening.

4. PDC vicinity study contract

The committee agreed at its last meeting to recommend approval of the \$100,000 contract with PDC for development studies related to the convention center if Councilor Ragsdale, following a then-scheduled meeting with PDC, were satisfied with the prospects for limiting other off-site costs. Councilor Ragsdale reported that, following this meeting, he is pleased with progress on these matters, e.g.:

- The City will establish negotiated amounts for building permits.
- Although the City cannot finally determine the extent of traffic impacts until after the studies begun under this

contract are completed, they committed to carefully identifying those impacts caused by the convention center and limiting their request for convention center payment to these impacts. Other transportation off-sites are to be covered within the \$207,000 (or no more than \$215,000) already in the convention center construction budget for this purpose.

- No other off-sites would be added outside this \$207-215,000.
- Deeding of the Lloyd Center properties on the site remains a separate issue. PDC wishes to lease the property, providing that control would revert to the City if the land were no longer used for public purposes; Metro's position has been that it wishes transfer of the deed. Councilor Ragsdale reported he communicated his personal opinion to Pat LaCrosse that a properly drafted lease has the same effect as title.

Neil McFarlane listed consultants selected to work on aspects of the study: Keyser Marston (market); Fehr and Peers (transportation); ROMA (land use). He said these consultants will collaborate with others working for Pacific Corps., purchasers of much of the Lloyd properties around the site.

Councilor Van Bergen stated he continues to oppose the \$100,000 contract. He said he feels the title to the Lloyd property should be transferred to Metro; this land should be a regional asset. Councilor Ragsdale said there is no question but that voters were told the land was a gift from the Lloyd Corp. to the project, not the City.

5. Oregon Tourism Alliance

Kim Duncan reported little progress toward establishing the Alliance. DED staff plans a meeting on the coast August 6, but notice has not been sent.

6. Portland Towers proposal

Tuck Wilson explained this Salem company has hired architects Broome, Oringdolph to develop a hotel proposal for the parcels south of Glisan on the site. The group has met with PDC and Councilor Knowles, who suggested they obtain a recommendation from ACDC before Council would consider it. The presentation to ACDC is scheduled for Friday July 31.

The meeting was adjourned at 5:30 pm.

Next meeting

The next meeting will occur 4 pm Thursday, August 6.