

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 22-04

For the purpose of adopting community-developed Guiding Principles for the Portland Expo Center Development Opportunity Study

WHEREAS, the Portland Expo Center (Expo) attracts nearly 500,000 visitors a year to over 100 public trade shows and community events. Over the past five years it has generated an average of approximately \$50 million in economic impact annually, and;

WHEREAS, many communities in the greater Portland area and our region have unique and important historical and cultural ties to Expo and the land it is built upon, and;

WHEREAS, the nearby Vanport Floods and WWII Internment at the Portland Assembly Center have had lasting impacts on the Black, Indigenous and Japanese American communities. Metro and Expo recognize the past events and injustices that took place on or near the Expo property, and;

WHEREAS, at the direction of Metro Council, the Portland Expo Center Development Opportunity Study was launched in 2020 to assess the value and opportunities for the greatest public benefit of the 53-acre property and venue, and;

WHEREAS, throughout the process, Metro has been engaging with key stakeholders and partners, including communities and partners with historic and cultural ties and business interests. These include the Black, Indigenous and Japanese American communities, several Tribes, as well as Expo clients and business stakeholders in order to refine the project guiding principles, and;

WHEREAS, the outcome of this stakeholder and partner engagement is a set of Guiding Principles. Each potential future will be evaluated based on this community-driven, collaboratively crafted framework.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:

1. Approves the community-developed Guiding Principles.
2. Directs staff to use the Guiding Principles as important criteria when reviewing submittals for the Request for Expressions of Interest for the Portland Expo Center Development Opportunity Study.

Resolution No. 22-04 passed by the Commission on April 6, 2022.

Approved as to Form:

Carrie MacLaren, Metro Attorney

DocuSigned by:
Karis Stoudamire-Phillips
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Chair

By:

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Nathan Sykes
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Nathan A. S. Sykes, Deputy Metro Attorney

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Deidra Kryz-Rusoff
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Secretary/Treasurer

MERC Staff Report

Agenda Item/Issue: For the purpose of adopting community-developed Guiding Principles for the Portland Expo Center Development Opportunity Study

Resolution No. 22-04

Presented By: Paul Slyman

Date: April 6, 2022

Background and Analysis:

The Portland Expo Center (Expo) attracts nearly 500,000 visitors a year to 100+ public trade shows and community events like home and garden, automotive, RV, antique, outdoor shows and concerts. Over the past five years it has generated an average of approximately \$50 million in economic impact annually. Expo has 330,000 square feet of exhibit space in five exhibit halls on the 53-acre campus. That said, Halls A, B, and C celebrated their 100 year anniversary this year, and Halls D and E are 25 and 21 years old respectively.

Expo pays for its debt service out of operating revenues. While the team has been able to support this financial structure for some time, without significant investment in building replacement, long term prospects under the present business model do not appear favorable. Recognizing that Expo has significant capital needs, notably Halls A, B, and C, and no identified funding source to meet these needs over time, Metro commissioned a study from Hunden Strategic Partners in 2014.

The study included an analysis of Expo governance and operations, a local competitive market analysis, and the possible impact of a local new Headquarters Hotel. The scope of work also included an analysis of the existing physical conditions.

When considering a 30-year time horizon, the study recommended that the best return on investment was to raze Halls A, B and C and replace them with slightly smaller, more efficient and higher quality buildings. In addition, the study recommended adding a flexible ballroom and more breakout meeting rooms. At the time of the report, the estimated needed investment was approximately \$63 million.

Following a presentation of findings by the Hunden Strategic Partners, a recommendation was made by the GM of Visitor Venues and CFO of Metro to explore other options as no source of funding was available or foreseen at the time of the presentation.

At the direction of Metro Council, the Portland Expo Center Development Opportunity Study (DOS) was launched in early 2020 to assess the value and opportunities for the greatest public benefit of the 53-acre property and venue. The DOS will identify development options that could complement, support or replace the current operations at Expo. Any potential future for Expo needs to be financially sustainable. Since the DOS began, COVID-19 has significantly added to Expo's financial challenges as well as for many of our visitor venues.

While the COVID-19 pandemic brought uncertainty and disruption, Metro has prioritized the continuation of this project. The goal of this project has not changed, and remains a collaborative process focused on assessing potential futures for Expo.

Many communities as well as partners in the greater Portland area and our region have unique and important historical and cultural ties to Expo and the land it is built upon. The nearby Vanport Floods and WWII Internment at the Portland Assembly Center have had lasting impacts on the Black, Indigenous and Japanese American communities. Metro and Expo recognize the past events and injustices that took place on or near the Expo property. Expo works with Vanport Mosaic and the Nikkei Legacy Center to ensure these occurrences are never forgotten.

Throughout the process, Metro has been engaging with key stakeholders and partners, including communities with historic and cultural ties and business interests. These include the African American, Indigenous and Japanese American communities, several Tribes, as well as Expo clients and business stakeholders in order to refine the project guiding principles.

The outcome of this stakeholder and partner engagement is the Guiding Principles, which we are asking you to adopt by resolution. Each potential future will be evaluated based on this community-driven, collaboratively crafted framework. Opportunities for input will continue during the Request for Expressions of Interest submission process, with a survey and public meeting and meetings requested by Tribal governments.

Additionally, at the request of MERC Commissioners, Metro COO's office is funding an additional study to estimate the "downstream" economic benefits that accrue to businesses, with particular focus on minority or emerging small businesses, which sell products or services at Expo.

Future updates and/or actions will be brought to the Commission monthly throughout the Request for Expressions of Interest process.

Fiscal Impact:

Adoption of this resolution has no fiscal impact to Expo or the Visitor Venues.

Attachments to Resolution and/or Staff Report:

Please see attached Guiding Principles

Please see attached proposed Resolution

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 22-04 For the purpose of adopting the community-developed Guiding Principles for the Portland Expo Center Development Opportunity Study.

What guiding principles should be at the root of how we weigh different development options?

PORTLAND EXPO FUTURE SCENARIO GUIDING PRINCIPLES

Updated March 17, 2022

