



600 NE Grand Ave.
Portland, OR 97232-2736

Joint MERC/Metro Council Meeting

Tuesday, July 18, 2023

10:30 AM

**Metro Regional Center, Council Chamber,
[https://www.youtube.com/live/OTIxn43GhE](https://www.youtube.com/live/OTIxn43GhEI?feature=share)**

I?feature=share

**<https://zoom.us/j/615079992> Webinar ID:
615 079 992 or 888-475-4499 (toll free)**

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- 1. Call to Order and Roll Call**
- 2. Public Communication**

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Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-813-7591 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to legislativecoordinator@oregonmetro.gov. Those wishing to testify in person should fill out a blue card found in the back of the Council Chamber.

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Work Session Topics:

10:30 Venues Capital Improvements Report [23-5903](#)

Presenter(s):

Steve Faulstick (he/him),

General Manager of Visitor Venues, Metro,

Ryan Kinsella (he/him), Capital Asset Management Director, Metro,

Matthew Rotchford (he/him), Portland Expo Center Executive
Director, Metro,

Robyn Williams (she/her), P'5 Executive Director, Metro

Cindy Wallace (she/her), OCC Director of Strategy and Business
Development, Metro

Attachments: [Staff Report](#)

11:15 MERC Venue Rate Setting Report [23-5904](#)

Presenter(s):

Steve Faulstick (he/him), General Manager of Visitor Venues, Metro,

Will Norris (he/him), MERC Finance Manager, Metro,

Cindy Wallace (she/her), OCC Director of Strategy and Business
Development, Metro,

Robyn Williams (she/her), P'5 Executive Director, Metro

Matthew Rotchford (he/him), Expo Executive Director, Metro

Attachments: [staff report](#)

12:00 Expo Futures Project Update [23-5905](#)

Presenter(s):

Paul Slyman (he/him), Metro

Giyen Kim, Metro,

Amy Nelson, Metro,

Jovian Davis, Metro

Attachments: [Staff Report](#)
[Project Governance](#)
[COO recommended next steps](#)

12:30 COO/Admin. Comm.

12:35 Councilor Liaison Updates & Council Communication

12:40 Chief Operating Officer Communication

12:45 Councilor Communication

12:50 Adjourn to Executive Session

This Executive Session will be held under ORS 192.660 (2)(d); To conduct deliberations with persons designated by the governing body to carry on labor negotiations

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានការប្រឹក្សាស្តីពីការរើសអើងសូមទូរស័ព្ទទៅកាន់ការិយាល័យរបស់ www.oregonmetro.gov/civilrights។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ មុនថ្ងៃប្រជុំដើម្បីអាចឱ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

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**Venues Capital
Improvements Report**
Work Session Topics

Metro Council Work Session
Tuesday, July 18, 2023

VENUES CAPITAL IMPROVEMENTS REPORT

Date: June 30, 2023
Department: Capital Asset Management
Meeting Date: July 18, 2023

Prepared by: Ryan Kinsella,
ryan.kinsella@oregonmetro.gov
Presenters:
Steve Faulstick (he/him) GM, Visitor
Venues
Ryan Kinsella (he/him) Director, Capital
Asset Management
Matthew Rotchford (he/him) Executive
Director, Portland Expo Center
Robyn Williams (she/her) Executive
Director, Portland's 5 Centers for the Arts
Cindy Wallace (she/her) Director of
Strategy & Business Development, Oregon
Convention Center

Length: 45 minutes

ISSUE STATEMENT

In order for our venues to provide consistent services that are aligned with Metro and MERC's values, a capital planning process built upon asset management principles and strategic priorities is needed. Metro and MERC's current capital planning processes support the near-term planning of infrastructure needs through the capital improvement plan (CIP) process; however, the long-term needs of Metro's assets will be best served through capital planning process informed by asset management principles and in agreement with local jurisdictional partners.

ACTION REQUESTED

Continued support from Council for developing the CIP, the redevelopment of Metro's asset management program.

IDENTIFIED POLICY OUTCOMES

Through improved capital planning and asset management practices, the Capital Asset Management and Metro and MERC's visitor venues look to advance the following goals:

- **Define metrics for service-levels, criticality, and condition of Metro's assets.** This includes better defining the thresholds for renewal and replacement investments and consistently implementing Metro and MERC's goals and values (i.e. environmental sustainability or disability access) when investing in asset renewal

or replacement. Through this process, CAM will be able to provide an update to Council on the condition of our assets.

- **Identify unmet needs and unfunded liabilities for future CIP development.** CAM will work with departments to define asset deficiencies in terms of physical condition, performance and ability to meet desired service levels. Through this process of identifying unmet needs, CAM and the venues can bring forward proposals and plans for Council's consideration.
- **Provide consistent framework for prioritizing investments.** Through improved processes, CAM aims to use common definitions and standards for criticality, condition and service level to align project selection with desired outcomes. This will also increase transparency and accountability in CIP development.

POLICY QUESTION(S)

- In addition to the 5-year capital plans put forward for Council's consideration in the annual budget process, what type of decisions would Council like to consider regarding capital planning?
- For longer-term capital needs, how would Council like to be updated on progress of these planning efforts?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

This report provides an overview of the current capital planning process and improvements to be implemented in the coming 12 to 18 months. The goal of these efforts is to improve how Metro and MERC plans for investment needs of its infrastructure. Council's input on how they would like to be updated on this progress is sought.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Long-term planning and Metro's Asset Management program

CAM and the venues are working to improve long-term planning for our assets through the implementation of an effective Asset Management program and more robust capital planning process. Identified benefits include:

- **Public Service** – Good asset management practices ensure that Metro and MERC's facilities are efficiently using public resources to deliver services through our assets. An effective program with strong strategic direction will provide Metro and MERC leadership with the opportunity to plan for these investments and deliver on service goals.
- **Benefit to Facilities** – The Asset Management program is intended to be value-additive for facilities – helping to guide investment decisions and maintenance practices without burdening facility staff. The updated asset management policy will provide agency-wide direction to ensure Asset Management practices are implemented consistently, and in line with facility needs.

- Diversity, Equity and Inclusion – As with Sustainability, Metro and MERC’s commitment to DEI has grown – as have public expectations. An agency-wide policy will provide consistent direction regarding the integration of DEI values, goals and metrics into asset service level definitions and investment decisions.
- Sustainability and Resilience – Metro and MERC’s commitment to sustainability and resilience in the face of natural disasters has only grown since the Capital Asset Management Policy was developed in 2013. This review will help identify opportunities to center sustainability and resilience in the implementation of the Asset Management Program.

As CAM and Metro venues build and implement these longer-term asset management strategies, in the near-term, CAM will continue to facilitate a CIP process that identifies and prioritizes capital projects that are aligned with Council priorities and based upon the best information available to staff in managing their assets.

Annual Budgeting and CIP Development

As part of the annual budgeting process, Council has asked that capital plans align with the [Strategic Framework for keeping our promises and building back better](#). The framework directs decision-making with the express intent of advancing Metro and MERC’s racial equity and climate action goals. As such, the guiding principles for the Strategic Framework – racial justice, climate justice and resilience and shared prosperity – will be applied to capital planning and reflected in the scoring for Leadership Goals in the project prioritization process.

CAM also will ensure that projects are aligned with the goals of our public benefits programs/policies, including the [Construction Career Pathways](#), [Clean Air Standard](#) and the Sustainable Building and Sites policies. Metro and MERC venues will work with their Finance Managers to integrate proper fiscal responsibility and reasonableness of the overall capital costs for the five-year plan. The Finance Manager will help guide the individual department Capital Project Oversight Committee (CPOC) in planning short-term and long-term timelines that evaluate the departments’ resource use, growth, and sustainability of the projects.

The CIP Executive Committee will provide ongoing support in driving implementation of and compliance with Metro’s processes and procedures incorporating best practices from the project planning stage through execution. The CIP Executive Committee is designed to provide a strategic lens and leverage the leadership, expertise, and insight of members to help determine and manage risks of the overall capital planning process.

BACKGROUND

Metro’s capital planning processes have evolved over the past ten years when Metro last approved an asset management policy. Following an audit of capital planning process, Metro convened the Asset Management and Capital Planning (AMCP) program convened in 2016 in order to address deficiencies in management of Metro assets and capital planning through creation of a formal program, policies and standards. This resulted in a formally

developed and adopted a Strategic Asset Management Plan (SAMP), capital planning standards and asset management standards in December 2017.

Unfortunately, implementation of the SAMP and standards have been effectively paused since 2020. Program reorganization, pandemic staffing reductions, key vacancies and elimination of AMCP Steering Committee have all contributed to the delays. As it currently stands, most of the recommended actions to operationalize the SAMP and associated standards have not been fully implemented.

The Asset Management section of CAM was formally (re)established in Fall 2022. With the restoration of the Asset Manager position and formation of a dedicated Asset Management section, a review and update of the agency's governing policies on Asset Management is necessary.

Currently, Metro's capital planning processes support the near-term planning of infrastructure needs through the capital improvement plan (CIP) process; however, the long-term needs of Metro and MERC's assets will be best served through capital planning process informed by asset management principles and in agreement with local jurisdictional partners.

ATTACHMENTS

[For work session:]

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No

MERC Venue Rate Setting Report
Work Session Topics

Metro Council Work Session
Tuesday, July 18, 2023

STAFF REPORT
MERC VENUE RATE SETTING

Date: June 29, 2023
Department: MERC Visitor Venues
Meeting Date: July 18, 2023
Prepared by: Steve Faulstick, General
Manager

Presenters:
Steve Faulstick, General Manager
Will Norris, MERC Finance Manager
Cindy Wallace, OCC Senior Director
Robyn Williams, P5 Exec. Director
Matthew Rotchford, Expo Exec. Director

Length: 45 minutes

ISSUE STATEMENT

The MERC Visitor Venues balance often-competing priorities when setting use rates. As an Enterprise Fund operation, each venue must operate in a fiscally responsible and self-sustaining manner. This requires setting rates that support stable operations and capital investment. The venues also have a public service mandate to promote access, support the arts, and drive economic development. Lastly, the centers need to remain price competitive with venues in other regions and alternative options for arts patrons. A primary responsibility of the MERC Commission is to ensure the venues are balancing these priorities by approving venue rates, charges, and scheduling policies.

ACTION REQUESTED

No formal action is requested. Receive this informational item.

IDENTIFIED POLICY OUTCOMES

Metro Council and MERC discussion may inform future rate strategy.

POLICY QUESTION(S)

Informational update only. MERC Visitor Venue use rates are set periodically by the MERC Commission.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Rate Setting Authority - Metro Code 6.01.040 establishes the Powers of the MERC Commission. Under this code section, *“The Commission establishes and approves all charges for the rent or use of the facilities and may delegate authority to the Chief Operating Officer to establish rents and charges and negotiate and enter into agreements for the rent or use of the facilities subject to policies established by the Commission”*.

BACKGROUND

Several prevailing trends are placing pressure on venue rates. The most impactful is increasing costs. The consumer price index increased 18% between 2018 and 2022. Over this same period, average staff compensation increased 36% at OCC and Expo and 31% at

Portland’5. This is due to negotiated wages increases, expanded benefits, and uncontrollable benefit cost escalations.

The venues are also navigating diminished lodging tax revenues due to the slow recovery of the lodging industry following the pandemic. The MERC Venues’ dedicated 3% Lodging Excise Tax generated approximately \$31M for MERC Capital Projects in the five-years preceding COVID-19. While the 3% Excise Tax has recovered sufficiently to fund the operating allocations for the Convention Center and Portland’5, the tax has not recovered enough to resume generating funds for capital projects. This places the burden of funding capital projects on user charges in the near term.

A third driver is the need for additional public safety investments. The MERC public safety operating budget increased by \$2.05M or 71% in FY2024. Public safety investments included:

- Portland’5: Three new full-time public safety agents, a public safety manager and a new “Evolv” Screening system which is a less invasive replacement for metal detectors.
- Oregon Convention Center: Three new full-time public safety agents and a director of public safety.
- All Venues: Additional funds for part-time and contract security as well as Public Safety related capital projects totaling \$6.45M over the next five years.

Outside of these emergent issues that place an additional burden on user charges across all three venues, below is an overview of venue specific rate setting issues and strategy.

Portland’5 Centers for the Arts (P5)

During typical years, P5 hosts nearly 1,000 music, theater, dance, and lecture performances across its five theaters and Mainstreet outdoor event space. The center also provides local education and outreach programming as well as a free summer concert series. P5’s primary user charges come in the form of facility rental rates, reimbursed services, and ticketing fees. Summaries of each type of charge are below:

- *Rental Rates* - P5 uses a tiered rental rate structure to assist resident companies and local non-profits utilize their facilities. Commercial tenants or non-profit entities located outside the Portland Metro Area pay the top rate tier. The 2nd rate tier applies to non-profits located in the Portland Metro area which receive a 20% rental discount. The 3rd rate tier applies to “Featured Tenants” which receive a 50% rental discount. “Featured Tenants” are local non-profits that routinely use the P5 theaters. Examples of “Featured Tenants” are the Jefferson Dancers, Literary Arts, and the Metropolitan Youth Symphony. The 4th rate tier is reserved for Resident Companies which receive a 70% rental rate discount. Examples of P5’s resident companies are the Oregon Symphony, Oregon Children’s Theater, Portland Opera, Oregon Ballet, and Portland Youth Philharmonic.
- *Reimbursed Services* – Passthrough charges for stagehands, ushers, public safety agents, other hourly employees, and equipment can constitute the largest expense for users of P5 facilities. These charges vary directly with P5’s cost of providing the event staffing, equipment, and services. Increased personnel costs from both wage

and benefit increases have had one-for-one impact on higher charges to P5 facility users. P5 seeks full cost recovery by adding a percentage administrative charge on top of these expenses but still does not profit from reimbursable services. P5 has lost an average of \$248,000 annually on event services since FY2014.

- *Ticket Services* – Commercial and local non-profit events pay a user fee of \$2.25 per ticket or 6% of the ticket price, whichever is higher. Resident companies pay \$3 per ticket or less depending on the show type. Events that utilize P5 ticketing systems have additional ticket surcharges paid by the ticket purchaser. These surcharges do not apply to resident companies that administer their own ticket sales.

Oregon Convention Center (OCC)

OCC is the second largest convention and trade show facility in the Pacific Northwest with 255,000 square feet of contiguous exhibit space, 52 meeting rooms, and two grand ballrooms. The center draws both national and international clients to the Portland market driving local job creation, economic activity, and tax revenue growth.

OCC establishes rates and charges on a multi-year basis reflecting the nature of convention and trade shows which need to reserve event space years in advance. Rates are informed by regular competitor venue surveys and set to maximize both the utilization and economic impact of the facility while generating sufficient revenues to support operations. The OCC Executive Director has discretion to discount rates based on factors such as the overall economic impact of an event to the region, expected ancillary event revenues such as parking and food & beverage sales, or as an incentive to book during a particular date that may otherwise go unused.

While the OCC's scheduling policy prioritizes events with large footprints aligning with OCC's size and scale, the center also endeavors to be resource for local events. Examples of repeat local users of the facility include OHSU graduation ceremonies, Native American Rehabilitation Association of the Northwest 's New Year's Eve Pow Wow, Citizenship and Immigration Naturalization Ceremonies, and Eid al-Adha celebrations.

Like P5, charges for reimbursable services such as event staffing, utilities, and equipment rentals can be the largest expense for a user of OCC. OCC also seeks to recoup direct costs and does not use reimbursable services as a profit center.

Portland Expo Center

The Portland Expo Center is the West Coast's largest multi-purpose facility with 330,000 square feet of contiguous exhibit space, 9 meeting rooms, and 800,000 square feet of outdoor space that can be utilized for outdoor events in addition to parking. The facility works with local and national promoters to produce events that primarily serve regional residents but draw exhibitors from across the country and internationally. Like OCC, Expo drives local job creation, economic activity, and tax revenue growth.

Expo establishes rental rates on a 3-year basis to capture large-scale consumer trade shows, sporting tournaments and other events that require event space years in advance. This allows the Expo Center to utilize yield management to inform yearly sales strategies. Rates are informed by analysis of competitor venues to ensure that the Expo Center can

support its operations while remaining competitive in the market. The Expo Sales & Marketing Manager utilizes an approved discounting policy to grow new business, and to incentivize bookings on traditionally open dates. The Expo Executive Director may discount rental rates based on similar factors as the Oregon Convention Center.

The Expo Center's booking policy prioritizes events that utilize 180,000 + square feet, are multi-day events or have high revenue impact to the Expo Center's main revenue sources (Rental, Parking and Food & Beverage). In FY2024, Expo will continue to partner with Sport Oregon and Travel Portland to attract high impact sporting events to the region. Examples of recent sports bookings include the Willamette Volleyball Classic, American Corn Hole League Pro National, North American Gay Volleyball Association National Tournament (2025), plus several other opportunities that are in the negotiation process. In addition to hosting large-scale events the Expo Center partners with several local non-profits to provide discounted space for community events such as the Vanport Mosaic Festival and the Japanese American Museum of Oregon's remembrance events that honor those impacted by the Vanport Flood and the wartime incarceration of Japanese Americans.

Like the other MERC Visitor Venues, Expo charges for reimbursable services such as event staffing, utilities, and equipment rentals. These charges account for a substantial portion of the expenses for an Expo client. Expo evaluates event-driven rates yearly to recoup direct costs and does not use reimbursable services as a profit center.

ATTACHMENTS

None

[For work session:]

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No

Expo Futures Project Update
Work Session Topics

Metro Council Work Session
Tuesday, July 18, 2023

EXPO FUTURE PROJECT: PHASE 2 UPDATE

Date: 06/29/23
Department: COO
Meeting Date: 07/18/23

Prepared by: Paul Slyman, Giyen Kim
Presenter(s): Paul Slyman, Giyen Kim,
Amy Nelson, Jovian Davis
Length: 30 min

ISSUE STATEMENT

In 2003, 2014, and in the years following, Metro Council and the Metropolitan Exposition and Recreation Commission (MERC) studied the long-term sustainability of the Portland Expo Center (“Expo”). Under the current business model, the long-term prospects of Expo are challenging due to the large-scale capital needs of Halls A, B, and C and the routine maintenance of the newer buildings and campus infrastructure. Recognizing there is no identified funding source to meet these needs over time, Metro and MERC commissioned a series of activities in late 2019 to determine the highest, best use for the site that brings about financial sustainability. This launched the Development Opportunity Study (DOS), and a Request for Expressions of Interest (RFEI), also known as Phase 1 of the Expo Future project.

In February 2023, Council and MERC unanimously supported two overarching objectives proposed by Metro’s Chief Operating Officer as a result of Phase 1:

- Metro will recognize Expo Center’s Hall A as a site of national historical significance and meaningfully memorialize the site’s history of forced displacement during World War II and the Vanport Floods, as well as the site’s pre-colonial history and importance to Indigenous Peoples.
- Leveraging Oregon’s status as an international powerhouse in the sport and outdoor industry, Metro will pivot Expo’s future redevelopment as a community-centric destination venue that prioritizes amateur, professional, and recreational sports.

In addition, Council and MERC instructed Metro’s Chief Operating Officer to initiate this next phase of the Expo Future project, which focuses on the due diligence necessary to determine if the project’s objectives will result in a business, redevelopment, and capital investment plan that realizes the highest and best public use of the site and achieves financial sustainability for Expo. **Without further action or investment, Expo will continue to operate without a long-term plan for financial sustainability.**

ACTION REQUESTED

Continued support from Metro Council and MERC for Phase 2 of the Expo Future project.

IDENTIFIED POLICY OUTCOMES

Phase 2 of the Expo Future project will realize recommendations 1,2, 3 and 6, as proposed by Metro’s COO in February 2023. These recommendations advance the following project goals:

- Work with the communities most impacted by the site to develop a set of recommendations and priorities for Metro’s COO on how Expo’s future redevelopment should honor the historical and cultural legacy of the site.

- Complete a market and financial feasibility study and other due diligence activities that will help inform Expo’s future sports redevelopment priority and focus. This study will recommend other revenue streams and complementary site uses that will maximize revenue potential for the site and increase overall economic impact of Expo (e.g. anchor tenants, new site developments such as lodging, retail, training facilities, spectator amenities,).
- Complete broader community engagement and additional due diligence activities (operator analysis, funding analysis, site concept visioning, etc.) that will result in the integration of both project objectives into one or more cohesive site redevelopment and funding plan option(s) that Metro’s COO recommends to Metro Council and MERC.

POLICY QUESTION(S)

- Does Council or MERC have any feedback, additional considerations, or guidance on the near-term community engagement strategy as presented?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Council and MERC have requested periodic updates on the status of Phase 2 throughout the next 18-months. During this meeting, the project team plans to share a status update on the RFP for the upcoming market feasibility study, as well as an overview of our project governance structure, and the community and business leaders that have agreed to support this work. In addition, we will provide an overview of the near-term community engagement strategy.

While specific policy direction is not requested, Metro Council and MERC’s feedback and guidance on any of the information presented is welcome.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

This project supports the **Council’s direction in finding the highest and best public use and long-term financial sustainability of Expo**. Phase 1 of the Expo Future project initially began as an internal assessment of potential “Expo Futures” consistent with community-driven Guiding Principles. It then transitioned to a Request for Expressions of Interest (RFEI) process, which resulted in a proposed set of recommended next steps for the 53-acre site by Metro’s COO.

In February 2023, Metro Council and MERC Commissioners held a joint meeting to discuss the COO’s recommendations on the future of Expo. In addition, Council and MERC heard community testimony in support of the COO’s recommended next steps from Lynn Fuchigami-Parks, a Japanese American community leader, Ed Washington, a former Metro Councilor and Vanport survivor and Katie Macdonald, Metro’s Tribal Liaison. The resulting discussion led to Council and MERC unanimously supporting the proposed next steps and initiating Phase 2 of the Expo Future project.

Phase 2 will include two primary bodies of work that correspond to COO recommendations #1 and #2.

Objective 1:

First, Metro recognizes Expo Center’s Hall A as a site of national historic significance and will meaningfully memorialize the site’s history of forced displacement during World War II and the Vanport Floods, as well as the site’s pre-colonial history and importance to Indigenous Peoples.

In doing so, Metro will take the lead in convening Tribal government partners, Black, Japanese American, and urban Indigenous communities to meaningfully memorialize the cultural significance of the site to our region and country. As part of this, Metro shall investigate support from federal, state, or other partners, including philanthropic partners, for financial or other opportunities for Hall A, and the land adjacent to the Columbia River.

Objective 2:

Second, recognizing Oregon’s status as an international powerhouse in the sport and outdoor industry, Metro will take measures to align Expo’s future redevelopment as a community-centric destination venue that prioritizes amateur, professional, and recreational sports.

As part of these efforts, Metro directs staff to conduct due diligence, which includes:

- Partnering with Sport Oregon and other sports organizations on a market and feasibility study to examine how Expo can best pivot its operations toward a sports facility as a primary market, with other uses such as consumer, live entertainment, and community events as secondary markets.
- Conduct an analysis of the benefits and drawbacks of contracting with a third-party venue operator versus maintaining Metro operation of the site.
- Explore additional revenue generating opportunities for the site.

In addition, Metro directs staff to work with community partners and stakeholders to align Expo’s new vision for the site with the project’s Guiding Principles, as adopted by resolution by Council and MERC.

BACKGROUND

Metro owns the Portland Expo Center (“Expo”) site – a well-positioned, 53-acre employment and exhibition site at the economic center of the Portland metro region. Prior to the pandemic, Expo generated approximately \$50M in economic impact annually through its 100+ public trade shows and community events. The site is adjacent to other popular sports assets such as the Portland International Raceway and the Delta Park, a multi-field outdoor sports complex hosting youth and adult tournaments throughout the year.

The site is the largest exhibition space in Oregon, boasting 333,000 square feet of existing building area and over a million square feet of paved parking lot. Halls A, B, and C have been in operation for over 100 years. Halls D and E are 22 and 26 years old, respectively.

Metro recognizes the site’s pre-colonial history and importance to Indigenous Peoples. This land was previously part of a dynamic and complex network of wetlands and river channels supporting Indigenous people and their ways of life since time immemorial. In addition, given Expo’s hundred-year operational history, many communities as well as partners in the greater Portland area and our region have unique and important historical and cultural ties to the venue and surrounding area.

Specifically, 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 Japanese Museum of Oregon to ensure these occurrences are never forgotten.

Throughout the process, Metro has been engaging key stakeholders and partners, including communities 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 to refine the project Guiding Principles. The outcome of this stakeholder and partner engagement was the development of the Guiding Principles which were adopted by resolution by MERC and Metro Council in April and May of 2022.

Under the current business model, the long-term prospects of Expo are challenging due to the large-scale capital needs of Halls A, B, and C and the ongoing routine maintenance of the newer buildings and campus infrastructure.

In 2022, Metro Council and the Metropolitan Exposition and Recreation Commission (“MERC”) adopted a set of Guiding Principles for the site’s future development and launched a Request for Expressions for Interest (RFEI) to seek creative ideas and partners to help determine Expo’s future use. Metro received eight submissions as part of this process, with ideas that ranged from film studios to real estate developers who wanted to maximize the site’s industrial zoning. At its conclusion, however, Metro did not select a development partner from this process.

Instead, Metro’s COO proposed a set of recommendations for the future of the Expo which aimed to honor the historical significance and cultural legacy of the site, while also pivoting the current operational focus to sports-centric events facility. These recommendations were unanimously supported by both Metro Councilors and MERC Commissioners.

In summary, the table below briefly outlines the history and relevant actions on this project:

2003	MERC completes study “Expo: A Vision for the Future” with Yost, Grube Hall architects, to replace the outdated facilities of Halls A B C, and East and West Halls with 255,000 square feet of new facilities, including an exhibit hall, meeting rooms, support facilities, landscaping and related improvements to augment Halls D and E.
2014	Metro commissioned the Hunden Study to provide an independent assessment of Expo governance and operations, a local competitive market analysis, and the possible impact of a new local headquarters hotel. The scope of work also included an analysis of the existing physical conditions.
2016 - 2019	During the period 2016-2019 a range of options to increase and diversify revenue streams, including long-term tenancies and flexible outdoor space, were studied.
Fall 2019	At the direction of Metro Council, the Portland Expo Center Development Opportunity Study (DOS) was launched in 2019 to seek opportunities for highest best use of the site that brought about long-term financial sustainability . The study’s purpose was to identify development options that could complement, support, or replace the current operations at Expo and assess its current value.
2020-2021	Metro engages with the communities and stakeholders most impacted by the site through meetings and listening sessions and a draft set of community-driven Guiding Principles is formed.
Spring 2021	The DOS report is published outlining nine different scenarios (from logistics to film studios) the site could accommodate. MERC and Metro Council deprioritize the “sell

	option” and directs staff to create a solicitation process to seek out creative ideas and public/private development partners for the site.
Spring 2022	MERC and Metro Council adopt the community-driven Guiding Principles developed during the DOS by resolution as part of their framework for decision-making.
Summer 2022	The Request for Expressions of Interest (RFEI) phase of the Expo Future Project is launched.
Fall 2022	Metro receives eight submittals in response to the RFEI process.
Fall 2022	Expo was selected as project to be studied by the Urban Land Institute (ULI). ULI and Metro hosted an all-day workshop with eight experts to consider specific strategies or lessons learned around creative public-private partnerships with a high level of community involvement and outreach.
Winter 2023	Metro engages staff, community members and government and Tribal partners in the evaluation of the RFEI submissions, culminating in the Phase 01: Expo Future RFEI process and findings report.
Spring 2023	Metro and MERC unanimously support the COO’s seven recommendations for the future of Expo and initiates Phase 2 of the Expo Future project.

ATTACHMENTS

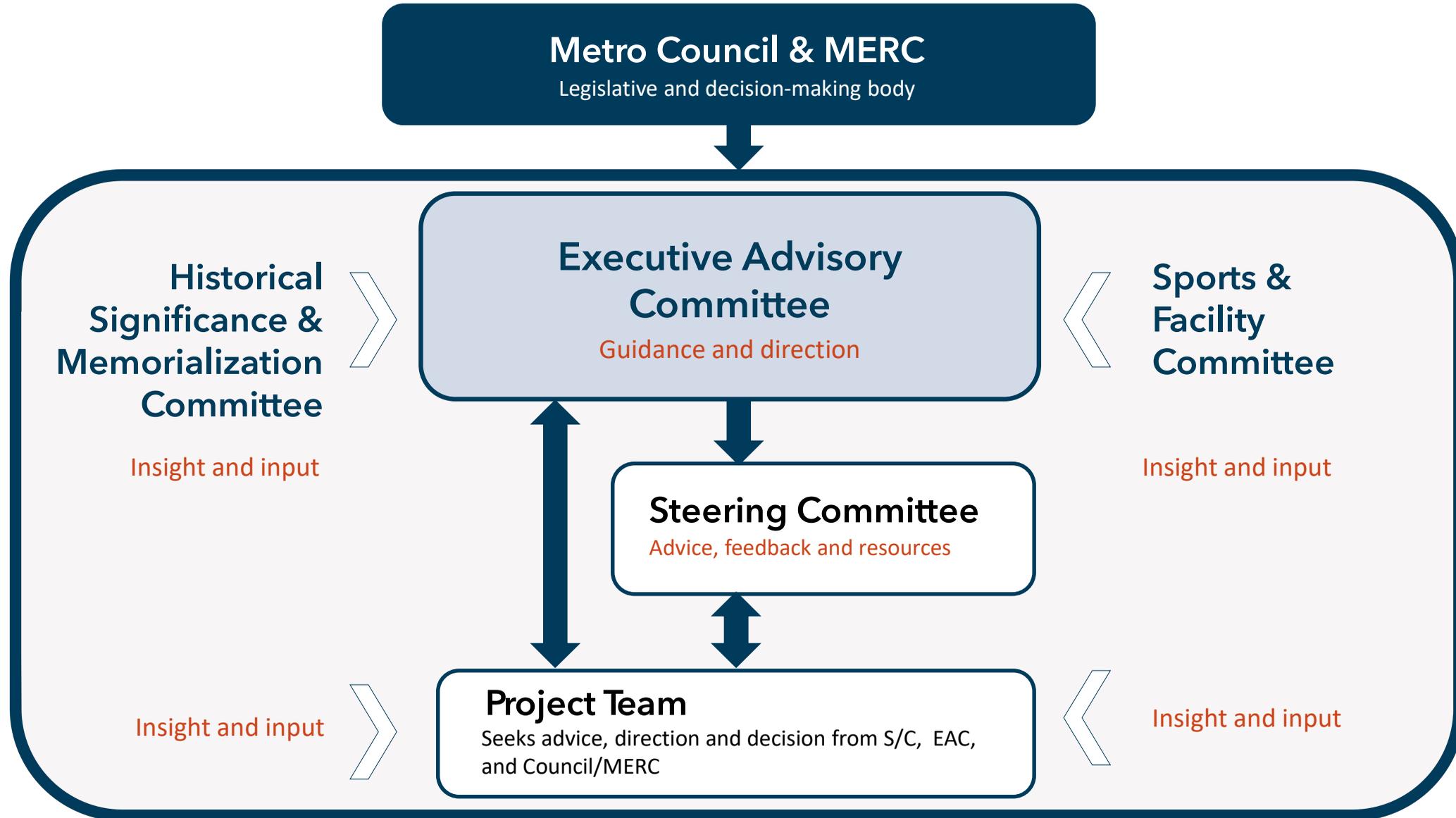
- Phase 2 Project Governance Structure
- Chief Operating Officer’s recommended next steps

[For work session:]

- Is legislation required for Council or Commission action? No
- If yes, is draft legislation attached? No
- What other materials are you presenting today? Powerpoint presentation

PHASE 2: PROJECT GOVERNANCE

DRAFT





Metro Chief Operating Officer's Expo Future Project recommended next steps

Based on the findings of the Phase 01: Expo Future Project RFEI report, Metro's COO is recommending range of actions to pursue as part of Phase 02 of the Expo Future project.

Recommendation # 1: Metro will recognize Expo Center's Hall A as a site of national historic significance and meaningfully memorialize the site's history of forced displacement during World War II and the Vanport Floods, as well as the site's pre-colonial history and importance to Indigenous Peoples.

In doing so, Metro will take the lead in convening Tribal government partners, the Black and Japanese American communities and urban Indigenous community to meaningfully memorialize the cultural significance of the site to our region and country. As part of this, Metro shall investigate support from federal, state, or other partners, including philanthropic partners, for financial or other opportunities for Hall A, specifically, and the land adjacent to the Columbia River.

Recommendation # 2: Recognizing Oregon's status as an international powerhouse in the sport and outdoor industry, Metro will take measures to align Expo's future redevelopment as a community-centric destination venue that prioritizes amateur, professional, and recreational sports. Metro will proceed to Phase 02 of the Expo Future project and directs staff to conduct due diligence, which includes –

- Partnering with Sport Oregon and other sports organizations on a market and feasibility study to examine how Expo can best pivot its operations toward a sports facility as a primary market, with other uses such as consumer, live entertainment, and community events as secondary markets.
- Conduct an analysis of the benefits and drawbacks of contracting with a third-party venue operator versus Metro.
- Explore additional revenue generating opportunities for the site.

Depending upon results of the market and feasibility study:

- Work with community partners and stakeholders to align Metro's new vision for the site as a community-centric venue with the project's Guiding Principles.
- Conduct a full capital needs assessment and determine a strategy for the site's future development.
- Develop a funding strategy and business plan to support the approved vision.
- Coordinate with other jurisdictions on activities related to the Expo Future project and identify potential public and private partnership opportunities.
- Conduct additional due diligence activities that support the core central concept's feasibility.

Recommendation # 3: COO's office will work with Metro Council President and the Chair of MERC to determine the appropriate governance structure and stakeholders to support the activities of Phase 02.

Recommendation # 4: In alignment with the recommendations from the Expo Future Community Partner review committee and the project Steering Committee, Metro shall prioritize the use of locally-owned contractors and vendors for the redevelopment of the site.

Recommendation # 5: Expo will continue to operate and book events after June 2024. Booking contracts should propose clear cancellation policies and flexibility to accommodate for redevelopment efforts. Upon identification of a capital improvements timeline, bookings and activities should be adjusted for consistency with redevelopment or other unforeseen impacts.

Where possible, Metro's Visitor Venues General Manager shall align Expo operations with a booking policy and communications strategy that supports the Expo Future Project's timeline and goals. In addition, every effort should be made to pursue the sports event market within the current venue constraints.

Recommendation #6: COO's Office shall continue to coordinate with Planning and Development staff working on the Interstate Bridge Replacement (IBR) Program, to identify project needs and ensure coordination between Expo booking and IBR project.

