

EXPO FUTURE PROJECT: PHASE 2 UPDATE

Date: February 26, 2024
Department: Chief Operating Officer
Meeting Date: March 12, 2024
Prepared by: Paul Slyman, Stephanie Redman

Presenter(s):
Paul Slyman, he/him, GM of Major projects
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Ed Washington, Expo Future Historical Significance & Memorialization Committee Cochair and PSU Professor Emeritus
James Jessie, Expo Future Sport & Facility Committee Cochair and Travel Portland Chief Sales Officer

Length: 45 minutes

ISSUE STATEMENT

In 2000, 2003, 2011, 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, 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 clear direction for Expo Future, with two overarching objectives proposed by Metro’s Chief Operating Officer at the conclusion of Phase 1:

Objective 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.

Objective 2: 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 the next phase of the Expo Future project: the due diligence necessary to determine if the project’s objectives will result in a business, redevelopment, and capital investment plan(s) 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.**

Since Council and MERC approved the COO's six recommendations for Expo Future (attached) in February of 2023, including Objectives 1 and 2 above, staff have built a broad-based coalition of individuals and organizations that are committed to achieving the vision of Expo Future and guiding Phase 2 of the project. This public-private coalition includes representatives of City of Portland, Multnomah County, Confederated Tribes of Siletz Indians, the urban Indigenous community, the Japanese American community, the Vanport community, sports facilities, professional sports teams, amateur sports teams and tournament organizers, economic development organizations, tourism and hospitality professionals, the philanthropic community, Expo clients, historians, private developers, Expo neighbors, and more.

Members of this coalition are organized into three committees, each of which fulfills a distinct and meaningful purpose. The 14-member Historical Significance & Memorialization Committee is working to achieve Objective 1. The 14-member Sport & Facility Committee is working to achieve Objective 2. The 28-member Executive Advisory Committee serves to guide the overall project and to connect project staff to relevant project resources. Each committee began its work in September 2023, and committees meet quarterly or monthly. Members' collective lived experience, knowledge, and ties throughout the region ensure that Expo Future will be an asset to the entire region. (See attached governance structure diagram.)

The Historical Significance & Memorialization Committee (HSMC) is working to develop a vision of how to memorialize the history and culture of the Expo Center site, including the stories of the Tribes and urban Indigenous, Japanese American, and Vanport residents who were most impacted by Expo over time. Council will have the opportunity to hear directly from the HSMC during the March 12, 2024 work session. HSMC's work to date has resulted in:

- Strong collaborative relationships within the committee;
- Development of an initial community engagement plan and timeline;
- Planning a one-day storytelling event that informs Expo Future committee members and Metro leaders about the site's history and impact; and
- Identification of preliminary ideas of how to memorialize the historical significance of the Expo Center site. These preliminary ideas include tangible and intangible memorialization such as a feeling of healing, connection to nature and the river, announcements during events, an honest representation of the site's history, gathering places, native plantings, a walking path that conveys the site's history, featuring culturally-relevant foods, multi-media exhibits in multiple languages, online resources offered at the site, history of sport/recreation at the site, naming of buildings and areas, an annual storytelling or history event, and more.

The Sport & Facility Committee is helping Metro to develop the overall strategy for pivoting Expo Center to a sports-focused facility. Council will have the opportunity to hear directly from the committee during the March 12, 2024 work session. The committee's work to date has resulted in:

- Strong collaborative relationships within the committee;
- Identification of other facilities in the U.S. that can serve as models for Expo's redevelopment;
- Provision of data, local knowledge of the region's sport and recreational assets and needs, and expertise that informs and guides the Expo Future sports feasibility study, which will conclude in May 2024;

- Identified publicly- or privately-owned sports facilities for the sports feasibility consultant (Hunden Partners) to profile and for potential future site visits by staff and partners; and
- Discussion of and eventual guidance about how to balance sports tourism and generating regional economic impact with opportunities for residents' regular and predictable access and use at Expo Future.

In addition to Expo Future's three external governance committees, an internal Steering Committee and Project Team advise project staff on day-to-day matters. These teams are comprised of Metro staff and meet monthly and biweekly, respectively. With their support and guidance, the project has, among other things:

- Successfully completed procurement and contracting for the Expo Future sports feasibility study and community engagement contracts totaling approximately \$272,000;
- Ensured that Tribal Governments are aware of and engaged in the project;
- Launched the Expo Future Funding Task Force to identify funding/financing strategies for the project;
- Developed a monthly newsletter that reaches nearly 1,000 individuals and averages 45% to 50% open rates;
- Provided guidance and representation related to Interstate Bridge Replacement plans and impacts on the Expo site;
- Advised staff about project communication strategies;
- Advised staff about how to respond to Trimet's requests of Metro at the Expo Center, including restoration of the *Voices of Remembrance* "torii gates" art installation, bus routes at Expo to replace late-night yellow line MAX service to Expo Station, and a request to site a MAX overnight facility and operational and staff support functions at Expo Center;
- Provided staff with an understanding of Metro's Employment Area designation and its potential effects on the project;
- Encouraged the development of a nearly-final Expo Future-related sponsorship fund aligned with Metro's broader sponsorship program; and
- Studied The Podium sports facility in Spokane, the Spokane Public Facilities District's (SPFD) operational model, and SPFD's relationship with Spokane Sports (Spokane's nonprofit sports tourism promotion arm) – all of which perform successfully.

ACTION REQUESTED

- Continued project awareness and support during Phase 2 of the Expo Future project
- Insight about other information or data Council would like to receive before its June 2024 joint meeting with MERC to review the Expo Future sports feasibility study findings and affirm Council and MERC's direction to pivot Expo to a community-centric destination venue that prioritizes amateur, professional, and recreational sports.

IDENTIFIED POLICY OUTCOMES

Metro Council has directed staff to find the highest and best public use of Expo and to ensure its long-term financial sustainability. In February 2023, Council and MERC unanimously approved two objectives for Phase 2 of the Expo Future project: meaningful memorialization of the site's history and culture, and pivoting Expo to a sports-centric venue. Project goals for Phase 2 include the following, and work is underway in each of these three areas.

- 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, complementary developments such as lodging, restaurant, retail, or other amenities).
- Complete broader community and Tribal Government 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.

The resulting vision for Expo Future will align with the project’s Guiding Principles (see attached), which were adopted by resolution of Metro Council and MERC in the spring of 2022.

POLICY QUESTION(S)

- Does Metro Council have any feedback or guidance for the project at this time?
- Does Metro Council have any specific information or data needs before the joint Council/MERC meeting presently scheduled for June 4 or 5, 2024?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Metro Council and MERC have requested periodic updates on the status of Phase 2 of the Expo Future Project. During this meeting, staff and two governance committee representatives will share an update on work completed to date and remaining actions to be completed in Phase 2 of the project. Updates will discuss overall progress, key activities of the Historical Significance & Memorialization Committee and the Sport & Facility Committee, and significant milestones planned through the end of Phase 2 (December 2024).

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

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

This project supports the **Council’s fall 2019 direction to find the highest and best public use and long-term financial sustainability of Expo**. After completion of the Expo Center Development Opportunities Study in 2021, MERC and Council directed staff deprioritize sale of the property and to pursue creative ideas for the property’s use. Following a Request for Expressions of Interest in 2022 and evaluation of eight submittals, Metro Council and MERC issued unanimous support for the COO’s recommendations for the future of Expo in February 2023, marking the conclusion of Phase 1 of the Expo Future project. Early in Phase 2 of the project, Metro Council and MERC affirmed the project governance structure and the COO’s recommended next steps in July of 2023.

Since the July 2023 update, staff have engaged multiple partner organizations and individuals from Tribes, the urban Indigenous and Japanese American communities, and Vanport survivors and descendants in committees organized to achieve Objectives 1 and 2. The Historical Significance & Memorialization, Sport & Facility, and Executive Advisory Committees are engaged in their respective areas of work. Robust community engagement is underway and will continue through summer of 2024.

Start Consulting, a local COBID business, is planning and conducting the engagement process, which will gather input and opinions from Tribal Governments and communities that would be most directly impacted by memorialization activities and a sports pivot. Hunden Partners, a nationally recognized destination real estate advisor, is assessing the feasibility of more intensive sports uses at Expo Center and will be recommending changes to the facility, companion amenities, and funding mechanisms that will support more sports-intensive uses. An Expo Future Funding Task Force is beginning to consider possible funding and financing mechanisms for the project.

Activities in Phase 2 advance the following goals of Metro's *Strategic Plan to Advance Racial Equity, Diversity and Inclusion*:

- A, convening and supporting regional partners to advance racial equity;
- B, meaningfully engaging communities of color; and
- D, creating safe and welcoming services, programs, and destinations.

If or as the project evolves to include construction, business development, and job creation, it also has the potential to meet Goals C and E of the plan:

- C, a racially diverse workforce, and
- E, resource allocation that advances racial equity.

At the conclusion of community engagement work and the sports feasibility study, staff will have the information needed to inform Metro Council and MERC about the anticipated effects of recommended memorialization strategies and activities and a pivot to sports-centric uses at Expo. Financial implications – both direct and indirect economic benefit of Expo Future and the costs of realizing recommended memorialization and sport pivot activities – will also be identified and available for Council and MERC's consideration.

Staff expects to present a vision plan to Metro Council and MERC of the resulting Expo Future recommendations in December of 2024.

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. 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. Pre-pandemic, Expo generated approximately \$50M in annual economic impact through 100+ public trade shows and community events.

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 more than 100 years. Halls D and E are 23 and 27 years old, respectively. Expo is adjacent to other popular

sports assets such as Portland International Raceway and Delta Park, a multi-field outdoor sports complex owned by the City of Portland that hosts various youth and adult sports tournaments throughout the year.

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 and partners in the greater Portland region have unique and important historical and cultural ties to the venue and surrounding area.

Specifically, the nearby Vanport Floods and World War II Internment at the Portland Assembly Center have had lasting impacts on the Black, Indigenous and Japanese American communities. Metro recognizes the past events and injustices that took place on or near the Expo property. Expo staff works with Vanport Mosaic and the Japanese Museum of Oregon to ensure these occurrences are never forgotten.

Throughout the process, Metro has and will continue to engage key stakeholders and partners, including communities with historic and cultural ties and business interests. These include the Black, urban Indigenous and Japanese American communities, several Tribes, and Expo clients and business stakeholders to define Expo Future and 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.

The following table outlines the history and relevant actions of this project.

2000	Metro Council Resolution 00-3019 supports submission of a Conditional Use Master Plan to City of Portland. General components include site development plans, transportation and parking, mitigation of Expo development impacts, environmental compatibility, development review, neighborhood communication and coordination, project review procedures for future development, public involvement. Major elements of the Master Plan include replacement and expansion of exhibit halls A, B and C to match the look of Hall E and Hall D (under construction at the time). CUMP is submitted and approved in 2001.
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.
2011	MERC submitted Expo Center Conditional Use Master Plan, prepared by Shiels Oblatz Johnson, SERA and subcontractors to City of Portland for expansion and replacement of existing exhibition facilities –Halls A, B, and C—with a new exhibition hall similar to Hall D and E, as well as 11 other site developments.
2014	Metro commissioned Hunden Partners 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	From 2016 to 2019, a range of options to increase and diversify revenue streams was studied, including long-term tenancies and flexible outdoor space.

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 direct staff to create a solicitation process to seek 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, fall 2022	The Request for Expressions of Interest (RFEI) phase of the Expo Future Project is launched. Metro receives eight submittals in response to the RFEI process.
Winter 2023	Metro engaged community members, Tribal and other government partners, and staff in the evaluation of RFEI submissions, culminating in the Phase 01: Expo Future RFEI process and findings report.
Spring, summer 2023	Metro Council and MERC unanimously supported the COO's recommendations for the future of Expo and Phase 2 of the Expo Future project began. In summer 2023, Metro Council and MERC endorse the proposed project governance structure and COO's recommended next steps for the project.

ATTACHMENTS

- A. Project Guiding Principles
- B. COO Recommendations from Feb 28, 2023 Council/MERC meeting
- C. Phase 2 Governance Committee Structure diagram
- D. Expo Future Governance committee roster
- E. Start Consulting's engagement plan
- F. Hunden Partners' sports feasibility excerpts: market conditions, sports and sports tourism trends, facility supply and demand, industry trends, stakeholder interviews

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today?
 - a) PowerPoint presentation
 - b) Progress report on Expo Future Objectives 1 through 6