

Proposed Budget - Department Overview

FY 2025-26

Expo, 3/17/2025



Summary of Department Budget for FY26 Proposed Budget

- **Major Programs:** For many decades, the Portland Expo Center has been known as the Community's Gathering Place and the home for numerous sporting activities, treasured Consumer-Public Shows and Cirque du Soleil. But the Expo is more than that – it is also the home of many key and significant cultural moments and memories.
- **Funding Sources:** Total Expo revenue in the FY26 budget is \$7M. The majority (85%) of this revenue is enterprise activity, rental fees, parking, and event services.
 - Additional funding sources include:
 - **Government Support:** 7% (\$518,000) from the Visitor Facilities Trust Account
 - Historically, Expo has received ~\$200k in Transient Lodging Tax Pooled Capital. Due to VFTA constraints, there are no allocations projected in FY26.
 - **Internal Transfers:** 6% (\$400,000) from the Metro General Fund
 - **Other Support:** 2% from interest earnings and miscellaneous sources
- **Accomplishments/work over the fiscal year:**
 - Successfully hosted Cirque du Soleil's Kooza from Aug 21 – Oct 6. This event featured 53 performances and welcomed over 78,000 attendees, generating \$1.1 million in gross revenue.
 - Maintained legacy events including Rose City Dog Show and Pacific NW Sportsmen's Show.
 - Staff actively contributed to the Expo Future initiative. Their involvement supported the resolutions passed by both the MERC Commission and Metro Council.
 - Final payment on the Exhibit Hall D Debt Service was paid in FY25. A \$1.1 million annual obligation since the building's completion in 2001.
- **Total Costs (appropriations budget)**
 - The Expo Center's \$6.1 million in operating expenses for FY26 are allocated as follows:
 - **Personnel Services:** 48% (\$2.8 million)
 - **Materials and Services:** 37% (\$2.3 million)
 - **Cost Allocation Plan (Metro Support):** 17% (\$1 million)
 - As in FY25 a request for an Internal Transfer from the General Fund was made in the amount of \$400k for FY26. This support drives funding to our ending fund balance and looks to sustain the venue while the Sports pivot is in process and VFTA recovery is realized.
- **FTE to support proposed service level**
 - The Expo Center has 13 full-time equivalent (FTE) positions budgeted for FY26.

Ongoing Department Growth and/or Reductions included in FY26 Proposed Budget

Challenges:

- **Flat Book of Business for FY26:** Bookings are flat in a non-Cirque year
- **Rising Operational Costs:** High inflation, upward wage pressure, and an increase in the PERS rate have contributed to a significant increase in expenses.

Opportunities:

- **Rate Development:** Adjustments to parking rates (base rate increased to \$14)

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- **Dynamic Pricing Strategies:** Target parking, ticketing, and food and beverage services
- **Cost Recovery:** Policy refinements aimed at improving cost recovery while maintaining affordability for clients and patrons

Reductions in FY26

- \$70k (3%) Materials & Service reduction
- \$733k (21%) Personnel reduction
 - 5 FTE Reduction (17 total down to 13)

Highlighted Significant Changes from FY25 Budget

The Expo Center continues to operate within a lean budget structure. However, several financial pressures present challenges in FY26, including rising labor costs, flat revenue projections in a non-Cirque du Soleil year, and continued constraints on the Visitor Facilities Trust Account and Transient Lodging Tax Capital Fund.

To address the financial conditions, challenges, and opportunities noted above, Expo Center targeted revenue enhancement strategies, including adjustments to parking rates, dynamic pricing for services, and policy refinements aimed at improving cost recovery while maintaining affordability for clients and patrons. In addition, Expo Center collaborated internally and with the Oregon Convention Center to identify ways to reduce costs through changes to service delivery, technology deployment, and shared management. Those collaborations resulted in the consolidation of management for Expo Center Sales, Event Management, Ticketing, Parking, Facilities, and Administrative Support within the Oregon Convention Center's management structure. The three MERC venues also identified opportunities to align technology use by deploying best practices existing in one venue to the others. Management believes these changes will allow reductions in costs for Materials and Services and Personnel while maintaining service delivery, and desired experiences for clients, guests, and staff. With the reductions and collaboration efforts noted above, Expo Center was able to reduce a starting operating deficit of \$500k and achieve a forecast operating surplus of \$920 thousand.

Any Other Overall Impacts that Require Council Direction and/or Attention

To extend the fund balance for the Expo in a non-Cirque year, a repeat of the Operations funding support of \$400k from the General Fund is requested.

Attachments:

Org Chart

