

MERC STAFF REPORT

Agenda Item/Issue: For the purpose of approving the Portland Expo Center rental rates for fiscal years 2027-28, 2028-29, and 2029-30.

Resolution No: 26-03

Presented by: Cindy Wallace

Date: April 1, 2026

Background and Analysis: To support long-term financial sustainability while advancing the Portland Expo Center's (Expo) strategic direction, staff is proposing updated rental rates for the period July 1, 2027, through June 30, 2030.

Expo facility rental rates are reviewed on a three-year cycle, with the most recent adoption occurring in September 2023. Since that time, cumulative increases in labor, utilities, materials, and contracted services have significantly increased the cost of operating the facility. To maintain cost recovery and ensure rates keep pace with inflation, Expo is proposing a 4% annual increase to existing event rental rates, consistent with past practice and reflective of current economic conditions.

These adjustments apply to Expo's traditional lines of business, including consumer shows, trade shows, meetings, and cultural events, and are intended to preserve Expo's competitive position while supporting ongoing operations and future capital needs.

In addition to these standard adjustments, staff is proposing the introduction of a structured sports tourism pricing model to support Expo's evolving role as a regional hub for athletic events and tournaments.

Unlike traditional event rentals, sports tourism operates on a per-court and time-of-use basis, requiring a pricing structure that aligns with how tournament organizers, leagues, and community users engage with facilities.

The proposed model establishes three distinct pricing tiers:

1. Community Benefit (Weekday Days – Public Access)

Hourly, low-barrier pricing supports residents, schools, and community-based organizations. This tier prioritizes equitable access and aligns with Metro's community benefit goals.

2. Club / League (Weekday Nights – Regional Use)

Mid-tier hourly pricing supports organized leagues, camps, and regional programming. These users provide structured oversight and consistent scheduling, allowing Expo to activate the facility during non-peak daytime hours while maintaining operational efficiency.

3. Tournaments (Weekends – Economic Impact)

Daily per-court pricing is designed for regional and national rights holders hosting competitions. These events generate the greatest economic impact through overnight visitation, hotel stays, and visitor spending.

A review of comparable sports facilities indicates that Expo's proposed tournament pricing positions Expo slightly below market in the early years to support market entry and demand generation. Gradually aligns with market rates over the three-year period and approaches premium-tier positioning by FY29-30.

This tiered framework aligns with industry best practices and reflects the operating model identified through the Expo Futures planning process, ensuring that pricing corresponds to both user type and time of use.

The proposed rates reflect both a continuation of Expo's established pricing practices and a strategic evolution to support emerging business opportunities. This approach ensures Expo remains competitive, financially sustainable, and aligned with regional economic development goals while continuing to serve a diverse range of users.

FISCAL IMPACT: Updated rental rates would take effect July 1, 2027, with those event related rates increasing each fiscal year by an additional 4%.

Attachment A: Reflects proposed rates for exhibit halls, meeting rooms, and parking lots in comparison to past years and new sports tourism rates.

RECOMMENDATION: Staff recommends that the Metropolitan Exposition Recreation Commission approve the proposed rental rates for the Portland Expo Center through June 30, 2030, as outlined in Attachment A.