

## MERC STAFF REPORT

**Agenda Item/Issue:** For the purpose of approving the Oregon Convention Center rental rates for fiscal years 2029-30, 2030-31, and 2031-32.

**Resolution No:** 26-04

**Presented by:** Cindy Wallace

**Date:** April 1, 2026

**Background and Analysis:** To remain competitive while generating revenue to fund operations and future capital needs, the Oregon Convention Center (OCC) is proposing increased rental rates for the period July 1, 2029, through June 30, 2032. Identification and adoption of rental rates in a three-year cycle is OCC's historic approach. The rates provide OCC the ability to propose rental costs to clients and execute citywide convention license agreements years into the future, which aligns with industry practice for convention business. These rates are independent of the services and labor rates charged to clients, which are reviewed and updated annually.

Since 2023, cumulative inflation and cost escalation across labor, utilities, materials, and services have significantly increased the cost of operating the Oregon Convention Center. The proposed rate adjustments reflect these sustained increases and are necessary to maintain cost recovery, support ongoing operations, and ensure OCC remains competitively positioned within the marketplace.

To ensure OCC's rates are maintaining pace with inflation, OCC is proposing to increase the approved FY27-29 rental rates by 15% for FY30-FY32. Establishing rates for a three-year period allows current and potential clients to plan accordingly for increases, as well as OCC staff to prepare for the budget planning process.

**FISCAL IMPACT:** A 15% increase to rental rates would take effect July 1, 2029, with those rates remaining in place through June 30, 2032.

This approach provides predictable, phased adjustments while limiting year-over-year variability for clients. Rental revenue represents approximately 11% of OCC's total event-related revenues.

**Attachments to Resolution and/or Staff Report:** Attachment A reflects proposed rates for exhibit halls, ballrooms, and meeting spaces, as well as food and beverage minimums to waive rentals, in comparison to past years.

**RECOMMENDATION:** Staff recommends that the Metropolitan Exposition Recreation Commission, by Resolution No. 26-04, approve the proposed rental rates for the Oregon Convention Center through June 30, 2032, as outlined in Attachment A.