

# Proposed Budget - Department Overview

## FY 2025-26

Oregon Convention Center, 3/17/2025



### Summary of Department Budget for FY26 Proposed Budget

Inspired by the region and centrally located in Portland, the Oregon Convention Center (OCC) serves as a premier venue for conventions, trade shows, consumer events, and community gatherings. The center is committed to fostering economic impact, promoting sustainability, and supporting equity and inclusion. OCC plays a pivotal role in attracting out-of-town visitors while also providing space for local events that enrich Portland's cultural and economic landscape.

- **Funding Sources:** Total OCC revenue in the FY26 budget is \$49M. The majority (64%) of this revenue is enterprise activity, rental fees, parking, and food and beverage sales.
  - Additional funding sources include:
    - **Government Support:** 35% (\$17M) from the Visitor Facilities Trust Account
      - Historically, OCC has received ~\$1.2M in Transient Lodging Tax Pooled Capital. Due to VFTA constraints, there are no allocations projected in FY26.
    - **Other Support:** 1% from interest earnings and miscellaneous sources
- **Accomplishments/work over the fiscal year:**
  - **Sustainable Events Platinum Certification:** OCC earned Platinum-level certification from the Event Industry Council's Sustainable Events Standard Certificate Program, recognizing excellence in sustainability, diversity, and social impact.
  - **Space to Grow Program:** program established to expand event access for historically underrepresented communities. \$150,000 has been allocated in in-kind support.
- **Total Costs (appropriations budget)**
  - The OCC's \$51M in operating expenses for FY26 are allocated as follows:
    - **Personnel Services:** 27% (\$14M)
    - **Materials and Services:** 57% (\$29M)
    - **Cost Allocation Plan (Metro Support):** 16% (\$8.1M)
- **FTE to support proposed service level**
  - The OCC has 91 full-time equivalent (FTE) positions budgeted for FY26.

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

#### Challenges:

- **Declining Event Bookings:** OCC's future booking pace is currently 20-30% below historical averages for 2026-2029. The shift toward shorter booking windows (now two to three years instead of three to five) also impacts revenue forecasting and pricing strategies.
- **Rising Operational Costs:** Inflationary pressures have increased expenses across utilities, supplies, and contracted services.
- **Reduced Transient Lodging Tax Revenue:** Lower hotel occupancy and average daily rates have affected tax revenue, limiting available funding for capital projects and marketing.

#### Opportunities:

- **Staff Retention and Development:** Investing in employee engagement and development reduces turnover costs and enhances service quality.

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- **Technology Investments:** Strategic adoption of digital tools can improve guest experiences, security, and operational efficiency.
- **Process Optimizations:** Streamlining workflows and resource management enhances productivity and cost-effectiveness.

### Reductions in FY26

- \$1.9M (6%) Materials & Service reduction
- \$4M (23%) Personnel reduction
  - 16 FTE Reduction (107 total down to 91)

### Highlighted Significant Changes from FY25 Budget

To address the financial conditions, challenges, and opportunities noted above, OCC is planning increased rates for some services and expansion of dynamic pricing strategies. In addition, OCC collaborated internally and with Portland's and Expo Center to identify ways to reduce costs through changes to service delivery, technology deployment, and shared management. Those collaborations resulted in the consolidation of Expo Center Sales, Event Management, Ticketing, Parking, Facilities, and Administrative Support within the OCC management structure. In addition, Portland's Public Safety management will consolidate under OCC management. 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, OCC was able to reduce a starting operating deficit of \$7M to \$1.1M, which will be funded by OCC's fund balance.

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

N/A

### Attachments:

Org Chart

