

## EXPO FUTURE PROJECT: PHASE 2 UPDATE

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Department: COO  
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### ISSUE STATEMENT

In 2003, 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, the 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 two overarching objectives proposed by Metro’s Chief Operating Officer as a result of Phase 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.
- 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 this next phase of the Expo Future project, which focuses on the due diligence necessary to determine if the project’s objectives will result in a business, redevelopment, and capital investment plan 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.**

### ACTION REQUESTED

Continued support from Metro Council and MERC for Phase 2 of the Expo Future project.

### IDENTIFIED POLICY OUTCOMES

Phase 2 of the Expo Future project will realize recommendations 1,2, 3 and 6, as proposed by Metro’s COO in February 2023. These recommendations advance the following project goals:

- 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, new site developments such as lodging, retail, training facilities, spectator amenities,).
- Complete broader community 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.

**POLICY QUESTION(S)**

- Does Council or MERC have any feedback, additional considerations, or guidance on the near-term community engagement strategy as presented?

**POLICY OPTIONS FOR COUNCIL TO CONSIDER**

Council and MERC have requested periodic updates on the status of Phase 2 throughout the next 18-months. During this meeting, the project team plans to share a status update on the RFP for the upcoming market feasibility study, as well as an overview of our project governance structure, and the community and business leaders that have agreed to support this work. In addition, we will provide an overview of the near-term community engagement strategy.

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

**STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

This project supports the **Council’s direction in finding the highest and best public use and long-term financial sustainability of Expo**. Phase 1 of the Expo Future project initially began as an internal assessment of potential “Expo Futures” consistent with community-driven Guiding Principles. It then transitioned to a Request for Expressions of Interest (RFEI) process, which resulted in a proposed set of recommended next steps for the 53-acre site by Metro’s COO.

In February 2023, Metro Council and MERC Commissioners held a joint meeting to discuss the COO’s recommendations on the future of Expo. In addition, Council and MERC heard community testimony in support of the COO’s recommended next steps from Lynn Fuchigami-Parks, a Japanese American community leader, Ed Washington, a former Metro Councilor and Vanport survivor and Katie Macdonald, Metro’s Tribal Liaison. The resulting discussion led to Council and MERC unanimously supporting the proposed next steps and initiating Phase 2 of the Expo Future project.

Phase 2 will include two primary bodies of work that correspond to COO recommendations #1 and #2.

**Objective 1:**

First, Metro recognizes Expo Center’s Hall A as a site of national historic significance and will 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.

In doing so, Metro will take the lead in convening Tribal government partners, Black, Japanese American, and urban Indigenous communities to meaningfully memorialize the cultural significance of the site to our region and country. As part of this, Metro shall investigate support from federal, state, or other partners, including philanthropic partners, for financial or other opportunities for Hall A, and the land adjacent to the Columbia River.

**Objective 2:**

Second, recognizing Oregon’s status as an international powerhouse in the sport and outdoor industry, Metro will take measures to align Expo’s future redevelopment as a community-centric destination venue that prioritizes amateur, professional, and recreational sports.

As part of these efforts, Metro directs staff to conduct due diligence, which includes:

- Partnering with Sport Oregon and other sports organizations on a market and feasibility study to examine how Expo can best pivot its operations toward a sports facility as a primary market, with other uses such as consumer, live entertainment, and community events as secondary markets.
- Conduct an analysis of the benefits and drawbacks of contracting with a third-party venue operator versus maintaining Metro operation of the site.
- Explore additional revenue generating opportunities for the site.

In addition, Metro directs staff to work with community partners and stakeholders to align Expo’s new vision for the site with the project’s Guiding Principles, as adopted by resolution by Council and MERC.

**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. Prior to the pandemic, Expo generated approximately \$50M in economic impact annually through its 100+ public trade shows and community events. The site is adjacent to other popular sports assets such as the Portland International Raceway and the Delta Park, a multi-field outdoor sports complex hosting youth and adult tournaments throughout the year.

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 over 100 years. Halls D and E are 22 and 26 years old, respectively.

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

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

Throughout the process, Metro has been engaging key stakeholders and partners, including communities with historic and cultural ties and business interests. These include the Black, Indigenous and Japanese American communities, several Tribes, as well as Expo clients and business stakeholders to 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.

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.

In 2022, Metro Council and the Metropolitan Exposition and Recreation Commission (“MERC”) adopted a set of Guiding Principles for the site’s future development and launched a Request for Expressions for Interest (RFEI) to seek creative ideas and partners to help determine Expo’s future use. Metro received eight submissions as part of this process, with ideas that ranged from film studios to real estate developers who wanted to maximize the site’s industrial zoning. At its conclusion, however, Metro did not select a development partner from this process.

Instead, Metro’s COO proposed a set of recommendations for the future of the Expo which aimed to honor the historical significance and cultural legacy of the site, while also pivoting the current operational focus to sports-centric events facility. These recommendations were unanimously supported by both Metro Councilors and MERC Commissioners.

In summary, the table below briefly outlines the history and relevant actions on this project:

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.
2014	Metro commissioned the Hunden Study 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	During the period 2016-2019 a range of options to increase and diversify revenue streams, including long-term tenancies and flexible outdoor space, were studied.
Fall 2019	At the direction of Metro Council, the Portland Expo Center Development Opportunity Study (DOS) was launched in 2019 to seek opportunities for <b>highest best use of the site that brought about long-term financial sustainability</b> . 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 directs staff to create a solicitation process to seek out 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 2022	The Request for Expressions of Interest (RFEI) phase of the Expo Future Project is launched.
Fall 2022	Metro receives eight submittals in response to the RFEI process.
Fall 2022	Expo was selected as project to be studied by the Urban Land Institute (ULI). ULI and Metro hosted an all-day workshop with eight experts to consider specific strategies or lessons learned around creative public-private partnerships with a high level of community involvement and outreach.
Winter 2023	Metro engages staff, community members and government and Tribal partners in the evaluation of the RFEI submissions, culminating in the Phase 01: Expo Future RFEI process and findings report.
Spring 2023	Metro and MERC unanimously support the COO’s seven recommendations for the future of Expo and initiates Phase 2 of the Expo Future project.

**ATTACHMENTS**

- Phase 2 Project Governance Structure
- Chief Operating Officer’s recommended next steps

[For work session:]

- Is legislation required for Council or Commission action? No
- If yes, is draft legislation attached? No
- What other materials are you presenting today? Powerpoint presentation