



Expo Future Project Feasibility Study

Draft Report

JUNE 6, 2024





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Executive Summary



Project Introduction: Expo Future Project Feasibility Study

Hunden Partners was hired by Metro to conduct a comprehensive assessment of the sports tourism market and Portland Expo Center's (Expo) current business model, with the goal of aligning Expo's future redevelopment as a community-centric destination venue that prioritizes amateur, professional, and recreational sports. The Hunden Partners team includes design experts from Perkins & Will, with additional support from Cascadia Partners and Rowe Consulting Group.

This report will assess the current facility and site, identify major areas of opportunity for sports and destination asset developments across various market segments, and provide data-driven recommendations for development uses for both Expo and the surrounding site. Equally important is memorializing Expo as a site of national historic significance given its 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.

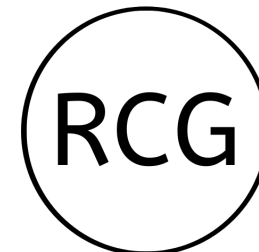
PROJECT TEAM

The logo for Hunden Partners, featuring the word "hunden" in a light green sans-serif font above the word "partners" in a white sans-serif font, both contained within a dark blue rectangular box.

**hunden
partners**

The logo for Perkins & Will, consisting of the company name in a large, bold, black sans-serif font.

Perkins&Will



Expo Future Sports & Facilities Committee

PUBLIC USE STATEMENT

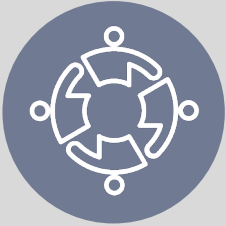
The Expo Future Sports and Facilities Committee (SFC) recognizes the importance of offering community members reliable venue access while managing sports facilities for competitive events. Accordingly, the SFC supports a design, operations and booking approach that balances sports tourism-derived events with regular public use, whether as part of organized competitions or individually.

In striking this balance, the SFC seeks to create a regionally significant sports competition and tournament venue with its corresponding benefits while ensuring local community members have access to Expo Future's indoor and outdoor facilities, amenities, and activities. The SFC encourages staff and consultants to examine models that successfully merge these objectives and to share best practices with Expo Future committees.

This public use statement applies to the entire Expo campus, including sports-related facilities and uses and other uses such as cultural, historical and community gatherings.

Study Methodology & Key Questions

Feasibility Study Process & Project Overview



**Where are you
now?**



**How do you stack
up?**



**What are the
opportunities?**



**How we get
there?**

Current Local & Regional Market Assessment

Hunden analyzed the local and regional sports market for opportunities for the redevelopment of Expo to a sports-centric facility. This includes an analysis of the current market to identify gaps and market opportunities.

Expo is envisioned to be both a community facility and major driver of sports tourism in Portland.

Market Opportunities Assessment & Future Recommendations

Based on local and regional market research, comparable national case studies, and stakeholder engagement, Hunden formed recommendations for Expo's future.

Hunden worked with Perkins&Will to develop initial site concepts for multiple scenarios for Expo's redevelopment.

Financial Performance & Impact Projections

Hunden prepared financial and economic, employment and fiscal impact projections for the proposed scenarios.

Perkins&Will also developed rough order-of-magnitude cost estimates to help determine potential funding needs for the Project.

Projections and cost estimates will be included in the next deliverable.

Overview of Findings

This study aims to answer the question of the viability of the redevelopment of Expo as a community-centric destination venue that prioritizes youth travel sports, professional and recreational sports. The discussion below provides an outline of Hunden's key findings that validate the support of this key objective for Expo's future based on current supply and demand.

Currently there is a lack of supply of indoor sports facilities in the Metro area. This is also evident in the Pacific Northwest as a whole when compared to the rest of the country. Sports and entertainment assets in the Metro area and related events held at Expo have shown a strong rebound from the COVID-19 pandemic and have exceeded pre-pandemic visitation in many cases, showing strong demand for sports in the local area. Existing facilities are at capacity and are unable to meet the programming demand needs of local groups. Local leagues ranging from the youth to the professional level do not have the facilities they need to host practices, training, and competitions. There is a strong desire by local groups to have new, larger and competitive facilities with an emphasis on public accessibility and equity. In highest demand are ice and court sports, with the Metro area lacking the number of ice sheets and hard courts that would enable the Metro area to attract and host larger regional or national tournaments that could increase sports tourism and related impacts to the local economy.

Ice. The Winterhawks Skating Center, which houses the practice facility for the Portland Winterhawks of the Western Hockey League, currently has to limit public programming despite high demand for ice sports and recreational play. By having an additional two ice sheets and new dedicated Winterhawks practice facility, the Metro area will have the three-sheet supply to be able to host more impactful tournaments.

Court. While the Metro area has a number of indoor basketball / volleyball facilities, these facilities max out at six courts, limiting the potential to host larger tournaments that desire a single facility with at least 8-10 courts. With local leagues gaining in participation and demand, new facilities are needed to support public use, while also making the Metro area a stronger proposition for sports tourism. Exploding pickleball demand could also be accommodated at new courts at Expo.

Field. The Metro area is deficient in indoor turf fields. Such fields are multi-purpose and can be used for sports such as soccer, lacrosse, and football. The area is already in need of additional outdoor turf fields to support tournaments, but has no indoor facility that can be used by local residents on a year-round basis. The future planned expansion of nearby Delta Park to ten outdoor turf fields along with an additional multi-purpose indoor field at Expo can help support future development of up-and-coming leagues due to demand generated by the Portland Timbers and Thorns. Without the site availability for multiple full-size indoor fields at Expo, it is expected Delta Park will be the primary home for larger regional events. Outdoors is also preferential for soccer including at the professional level

Track. Portland is a major corporate hub for for running shoe and apparel brands, but lacks an indoor facility to showcase the track culture established in the area. While there is certainly local demand for an indoor track, regional track events are limited, and highly competitive, as the average drive-time that participants are willing to travel for these tournaments is much higher when compared to court or field sports.

Overview of Findings, cont'd.

Campus. In order to be a competitive proposition for sports, Expo not only needs the actual sports facilities to accommodate unmet demand, but also the support facilities needed for athletes. This includes fitness, training, and rehab space that could be utilized by participants that could also be expanded to dedicated training facilities needed by a number of professional sports teams. By expanding Expo's reach to the professional level, this can encourage increased engagement and participation, as well as establish potential new funding opportunities for the Project. Expo would also need to cater to the typical visitor. By having strong on-site food and beverage options, a family entertainment center and potential future commercial development, Expo as a campus can create the critical mass to become a new compelling destination in the Metro area. In order for commercial and/or hotel development to be feasible, Expo will need to be a 365-day activated facility driven by both public usage and tournament activity.

Expo. Even with the support for Expo to be reimagined as a sports-centric facility, there is a strong existing book of repeat business at Expo. While more historic halls have lower utilization rates and are unable to be repurposed for sports due to height restrictions and lack of air conditioning, the existing newer halls should still be dedicated to uses such as consumer and trade shows, which has and can continue to be a significant revenue source that supports the viability of the overall campus. As the future Expo pivots to sports, remaining halls can also serve as expansion space for national tournaments that require additional courts or support space beyond what would be market supportable for sports-use alone.

Local Market

Below are key takeaways from Hunden's analysis of Portland and Expo business.



Strong Accessibility

- Portland has access to a robust interstate highway network and Expo is located just eight miles from the Portland International Airport.
- Strong accessibility enhances Expo's appeal for sports tourism from regional and national markets.

Low Population Growth

- Reduced recent population and low projected population growth shows the need for revitalization in Portland.
- Exceptional sports facilities can be an attractive proposition for retaining Portland's resident base and shifting future population growth.

Opportunity for Increased Utilization

- Expo events and attendance have not yet recovered to pre-pandemic levels, though sports and entertainment demand at Expo has increased.
- Halls ABC have historically had low utilization and are unable to be used for sports, with room for most of the events utilizing these spaces to be absorbed within Halls D and E.

Sports Market

Below are key takeaways from Hunden’s analysis of the local and regional sports market. A low supply of indoor sports facilities is paired with unmet demand.



Court Sport

- The local area is lacking the minimum number of connected courts to drive more regional tournaments.
- Currently basketball and cheer generate the highest number of sports-related room nights in Portland, despite the limited supply of courts.

Ice

- The Winterhawks Skating Center is struggling to meet the rising demand for hockey and other ice sports and is currently at capacity.
- By developing additional ice sheets in the area, Portland would be able to attract more sports tourism for ice and increase local programming.

Turf

- The local area is also lacking indoor turf fields that could be utilized for multiple sports such as soccer, lacrosse, and football.
- By having a dedicated full-size field, Portland could help meet local turf needs evident at Delta Park and increase year-round play.

Track

- Despite being a corporate hub for athletic brands, the local area lacks an indoor track facility.
- Such a facility could accommodate local demand, as well as capture regional track events.

Support Amenities

Below are key takeaways from Hunden's analysis of local retail, medical office, and hotel market.



On-Site Amenities

- On-site sports-related amenities such as a fitness center, sports medicine partnerships, and classrooms are beneficial to increase utilization and impact of a sports facility.
- A family entertainment center and strong food and beverage offerings can also help with the financial feasibility of a facility while also providing guests additional things to do while visiting.

Hotel

- Local hotels have yet to recover to pre-pandemic occupancy. Additional ongoing demand drivers are needed to help bolster this performance.
- In order to be successful, regional events need a strong supply of nearby hotels to accommodate visiting teams and guests.
- An on-site hotel or hotels is an attractive amenity for event planners, both in the sports world and for traditional Expo business.

Retail / Restaurant

- Additional walkable amenities such as restaurants or retail opportunities such as lifestyle, fitness, or entertainment brands help increase the viability and attractiveness of a sports-based facility and are potential opportunities for future development on-site.

Stakeholder & Market Engagement

Hunden interviewed a variety of local, regional, and national stakeholders including community leaders and local / state organizations, facility operators and teams, and event planners / promoters to better understand the sports and entertainment market in Portland and the broader region as well as to understand community and tourism needs that could be accommodated through new sports facilities and supporting developments at Expo. In addition to individuals that Hunden met with during the in-person kickoff of the study, the following groups were interviewed to help inform the study.

Local / State Organizations

- City Staff
- Metro Councilors
- MERC Commissioners
- Travel Portland
- Sport Oregon
- Prosper Portland
- Oregon School Activities Foundation
- Oregon Amateur Athletic Union
- Oregon Cheerleading Coaches Association
- Dance & Drill Coaches Association of Oregon
- Kenton Neighborhood Association
- Albina Sports Program
- Adaptive Sports NW
- Portland Track
- Rose City Track Club
- Hoopsource

Facility Operators / Teams

- Portland Winterhawks
- Portland Trailblazers
- Portland Thorns
- Portland Timbers
- Portland Parks & Recreation
- Rose Quarter
- Tualatin Hills Park & Recreation
- Beaverton Family YMCA
- Wilmington YMCA
- Rose City Futsal
- Sports Facilities Companies
- OVG 360
- The Podium
- Eastern Sports Management
- Monqui Presents

Expo User Groups

- Columbia Empire Volleyball Association
- O'Laughlin Trade Shows
- Home Building Association of Greater Portland
- Rose City Classic Dog Show
- Eight Seconds Juneteenth Rodeo
- Red Cube
- Portland Auto Swap
- Friends of Baseball

Support Amenities

- Providence Health
- K10 Hotels
- Holiday Inn Columbia Riverfront
- CoStar
- Oregon Restaurant Lodging Association
- Portland Metro Chamber

Summary of Interviews

Throughout Hunden's interviews, there were many themes that arose as it relates to the redevelopment of Expo as a sports-centric facility. A summary of these key highlights are outlined below:

- The City of Portland is at an inflection point with a need for revitalization. Sports can be a huge catalyst for that and is a strong opportunity for development that can enhance the Metro area. Bringing sports to the forefront can be a new way that Portland presents itself as a regional hub for sports, while leveraging the current professional team and sports corporate presence.
- Any redevelopment of Expo should support the community and make sense economically and financially. It will be difficult for a facility with public access to be profitable and will likely require significant public subsidy. Hosting larger tournaments will be key, with private management the best route to take, due to their experience, network and ability to manage and market sports content.
- Sports could bring about a new and sustainable revenue stream for Expo while still maintaining Expo's book of repeat business and events. As one of the best multi-use facilities in the western United States, Expo needs to still be able to host large trade and consumer shows and Expo's current book of business generated by current staff.
- The vision for Expo as a community asset needs to be marketed as such and pricing needs to be able to provide equitable access to actualize that vision. The goal for the redevelopment of Expo would be for it to be a more community-driven center during the week, and a competitive tournament facility on the weekends to make it more sustainable from a financial perspective, while boosting tourism.

Interviews Summary, cont'd.

- A lack of facilities leads to a lack of engagement and lost tourism opportunities. The following are facilities that were commonly noted opportunities for the redevelopment of Expo that also aligned with Hunden's analysis of the local and regional sports market.
 - Winterhawks practice facility
 - Second additional ice sheet for expanded local programming with flexibility to be used as additional court space
 - Minimum 8 basketball / 16 volleyball courts to be able to host large regional tournaments with retractable seating for championship court configurations
 - Full-size indoor soccer turf field with divisions and flexibility for other sports (lacrosse and football)
 - Indoor fixed track, though there were mixed opinions on sufficient demand to support this use
 - Support facilities such as fitness / training, sports medicine, meeting / classrooms, sports retail, and sports organization offices
- Expo should be a locally-inspired destination beyond just being a sports facility. Having commercial development on site can encourage extended stays and additional visitor spending. Family entertainment is also needed for visiting families and residents. An on-site family entertainment center can help a public use facility be more financially feasible. Depending on intended audience, additional hotel development may be needed to support Expo's future redevelopment.
- There is currently a gap in the concert / entertainment market for a dedicated flat-floor flexible venue with a capacity of 3,000-4,000, though Live Nation is planning to develop a 3,500-capacity venue in Portland to fill that void. Currently, VMC and Theatre of the Clouds are able to accommodate events ranging from 2,000-7,500 in a fixed-seating environment.
- Adidas and Under Armour could present potential public project sponsorship opportunities for the project. Hospital / medical partnerships and sports medicine space is also a potential opportunity as a support amenity for the facility and/or site.

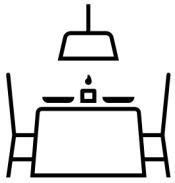


Recommendations

Summary



Hunden established four scenarios for the redevelopment of Expo. Given the age and limitations of Halls ABC to be repurposed for sports usage, Hunden recommends that these buildings be replaced with new market-supported indoor sports facilities. The scenarios on the following slides show a range of facilities that could generate more sports tourism versus more local demand. In all scenarios, it is expected these facilities would be accessible to the public, at least on weekdays with the goal of tournaments driving weekend activity.

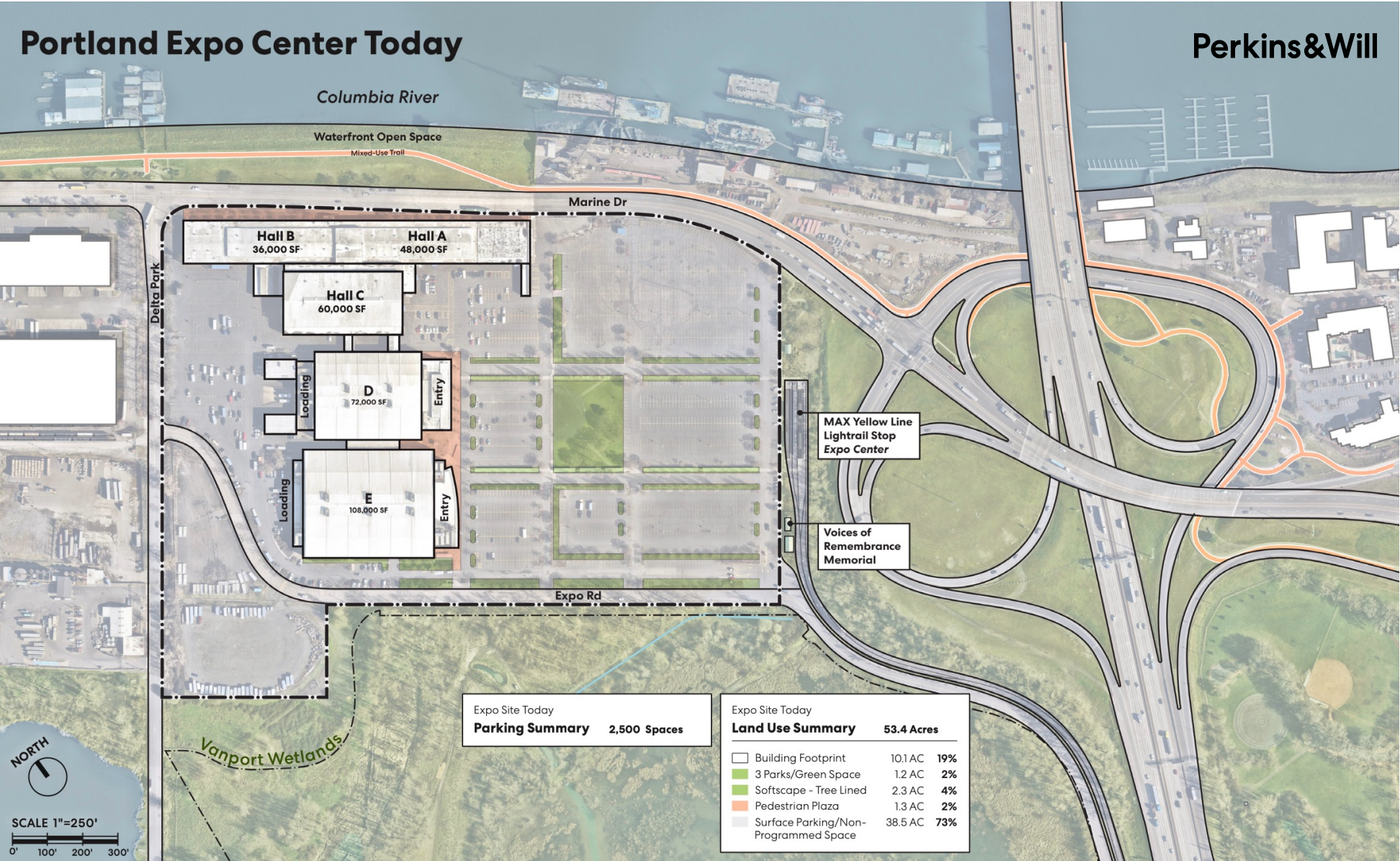


Additional support amenities are also recommended to enhance the offerings available on-site and to increase the viability of the development. Future phases of development could also include additional commercial development on site to support increased regional sports tourism and overnight guests. Hunden does not recommend new hotel development at Expo be pursued until local hotels reach stabilized performance and new Expo programming necessitates new hotel supply.



Given the historical significance of Expo's halls, it is recommended building materials or portions of the structures of any deconstructed buildings be repurposed as part of the new development. One scenario also shows the potential of Hall A to be repurposed as a memorial museum and facility support amenity space. Space for a memorial museum / cultural and healing center will be further defined as engagement with the Historical Significance & Memorialization Committee advances. Strong respect and homage should be shown to Expo's historical significance, revealed through visual and physical story-telling and education both inside and outside the buildings themselves. Thoughtful outdoor and landscape design should be advanced, making everything a visitor to Expo sees or touches be a memorial to Expo's past.

Current Site

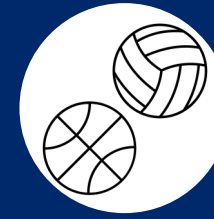


Scenario 1

Max Tournaments & Local Utilization



2 Ice Sheets



9 Basketball /
18 Volleyball
Courts



200m
Track



1 Full-Size
Turf Field

The first scenario includes the maximum recommended sports facility program, covering all major sports that Hunden's analysis revealed a market opportunity for including hockey / ice sports, basketball, volleyball, pickleball (27 max courts), track, and field sports. This scenario would put Expo at the highest competitive advantage by addressing the shortfall in indoor sports facilities in the local area while also having the ice / court space needed to accommodate regional and national tournaments.

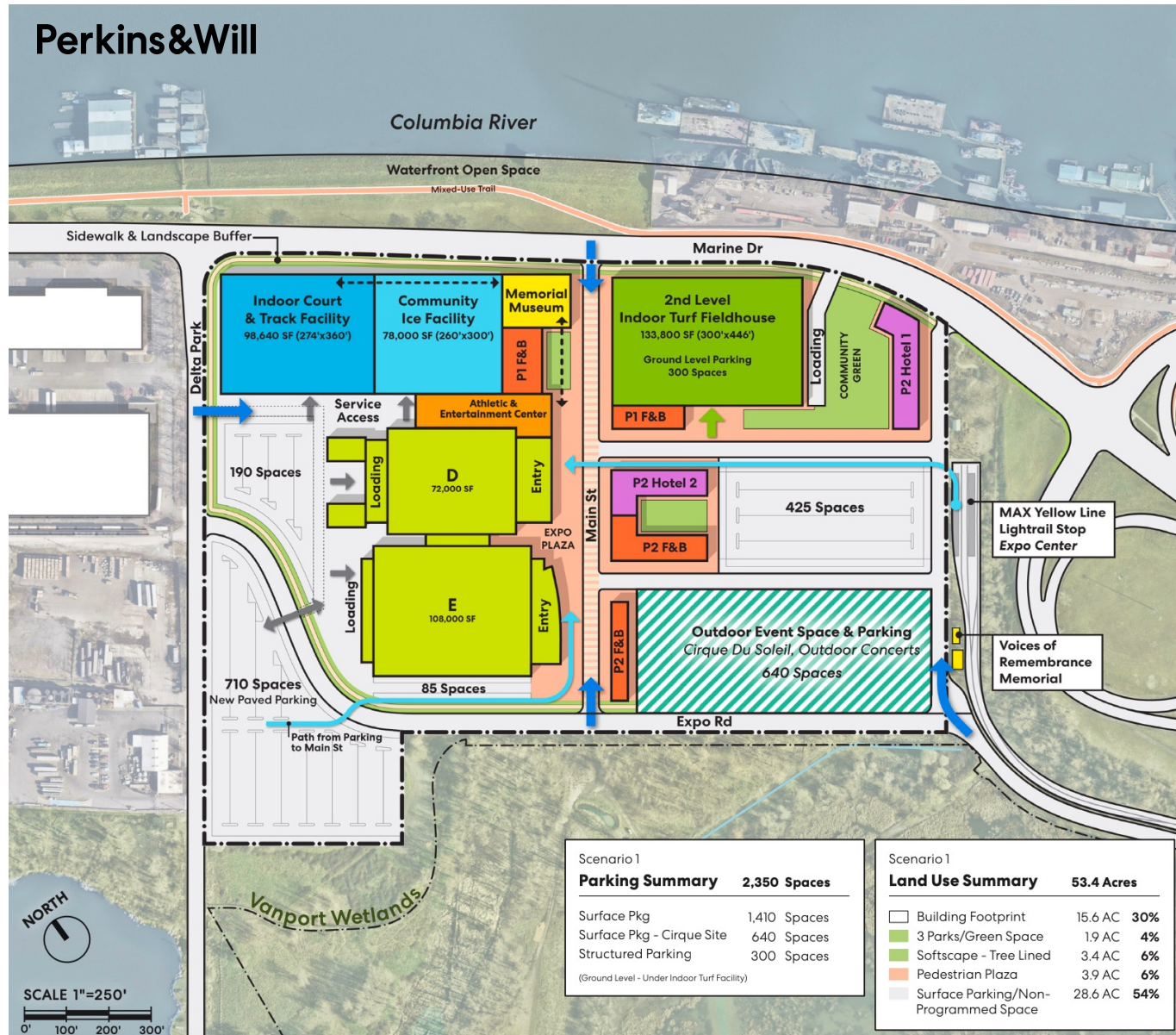
Also included in this program is the highest amount of recommended support amenities, those directly related to sport, but also significant food, beverage, and entertainment options for Expo guests. In order to increase the appeal and activation of Expo, Phase II commercial development is also recommended, including third-party restaurants and retail, and future hotel development upon stabilization of the current nearby hotel supply.

While this scenario offers the most diversity in terms of indoor sport training and competition options, this scenario will also come at a high cost to develop and high feasibility gap, which will require new public financing mechanisms to help fund the project.

This scenario includes a centrally located museum / cultural and healing center that honors the history and culture of the Expo site. Hunden recommends that the center's design and function be created with community input and have a strong relationship to the Historical Significance & Memorialization Committee's developing vision for memorialization. Wherever possible, Hunden recommends this center be constructed from materials that are disassembled from the historic halls and repurposed to build this new facility. Where appropriate, all site features should include historic and culturally important designs.

Scenario 1

Perkins&Will



Scenario 1

Max Tournaments & Local Utilization

Program Summary

- Existing Expo Halls D&E
- Temporary Outdoor Events / Cirque Du Soleil
- Repurpose of Historical Hall Materials

New Sports Facilities (Indoor)		310,440 SF
■ Community Ice (2 Ice Sheets)	78,000 SF	
■ Combined Track & Court (9 BB, 18 VB)	98,640 SF	
■ Indoor Turf - Fieldhouse	133,800 SF	

On-Site Amenities (Phase 1) 98,420 SF*

Athletic and Entertainment Center		78,470 SF*
■ Fitness/Training	12,000 SF	
■ Sports Medicine	3,000 SF	
■ Meeting Space/Classrooms	6,000 SF	
■ Offices	8,000 SF	
■ Family Entertainment Center	20,000 SF	
■ Food & Beverage (P1 F&B)	10,000 SF	

Memorial Museum		15,000 SF
■ Memorial Museum/Exhibit	15,000 SF	

On-Site Amenities (Phase 2) 138,000 SF

■ Hotel 1	120-Keys / 54,000 SF	
■ Hotel 2	120-Keys / 54,000 SF	
■ Food & Beverage (P2 F&B)	30,000 SF	

*Subtotal plus Grossing Factor

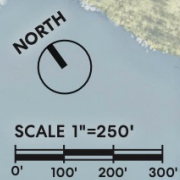
Scenario 1 Parking Summary 2,350 Spaces

Surface Pkg	1,410 Spaces
Surface Pkg - Cirque Site	640 Spaces
Structured Parking	300 Spaces

(Ground Level - Under Indoor Turf Facility)

Scenario 1 Land Use Summary 53.4 Acres

□ Building Footprint	15.6 AC	30%
■ 3 Parks/Green Space	1.9 AC	4%
■ Softscape - Tree Lined	3.4 AC	6%
■ Pedestrian Plaza	3.9 AC	6%
■ Surface Parking/Non-Programmed Space	28.6 AC	54%



Scenario 2

**Max Court / Ice
Tournaments & Local
Utilization – No Turf / Track**



**2 Ice
Sheets**



**9 Basketball /
18 Volleyball
Courts**

The second scenario includes the same ice and court program as Scenario 1, but does not include an indoor turf field or track facility. Based on Hunden’s analysis, the ice and court facilities are expected to be utilized the most, while a track or turf facility would be more limited in regional events or tournament capability.

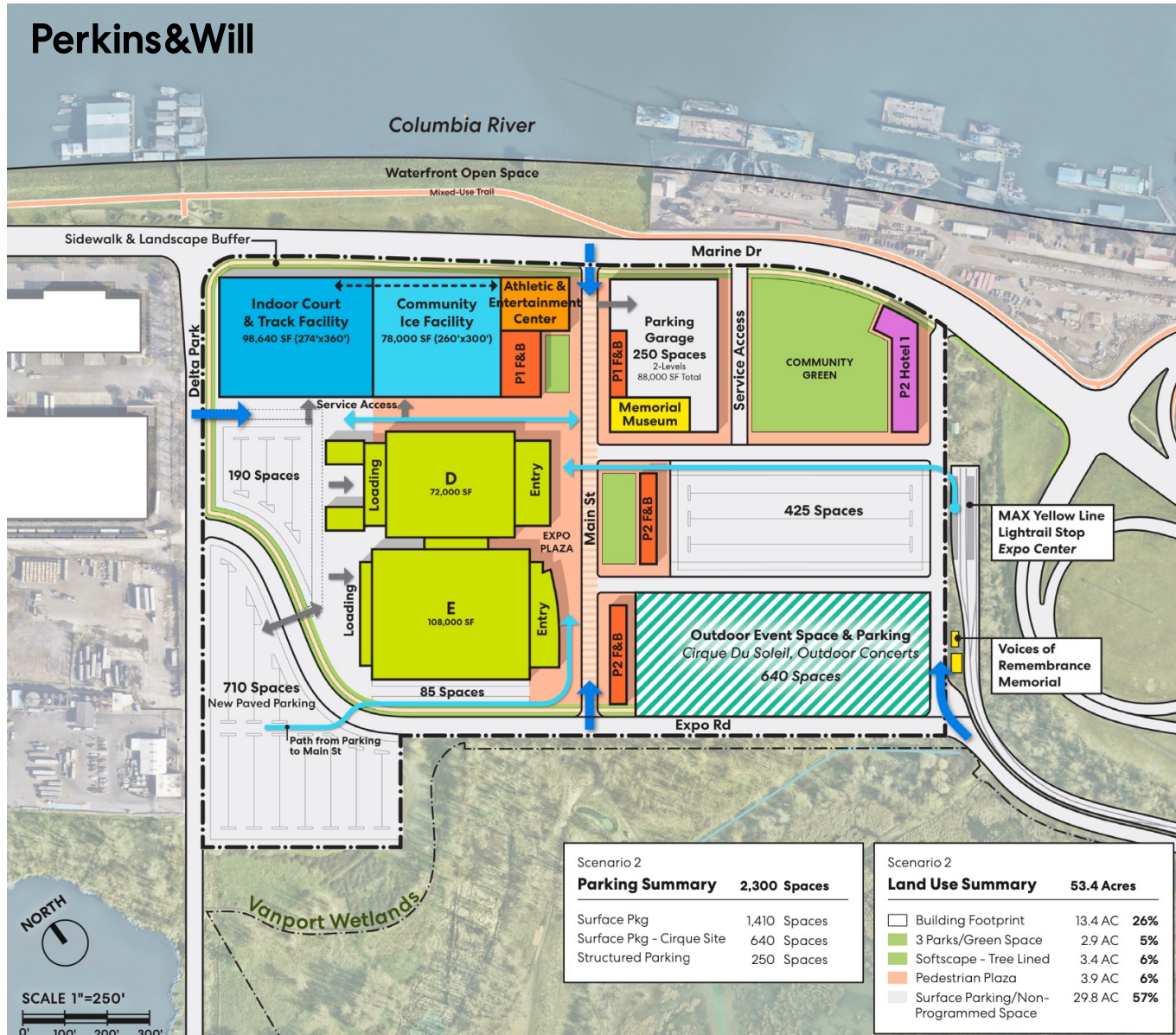
Outdoor is the ongoing preference for soccer, including on the professional level, and without being able to provide multiple fields, Expo will be challenged in hosting regional events for older age groups requiring multiple full-size fields. However, due to the deficiency in outdoor soccer fields at Delta Park, and Expo’s vicinity to Delta Park, an indoor field could serve as additional competition space and also provides a new year-round facility that could be used locally.

This scenario proposes the same type of sport support spaces as Scenario 1, but with a slightly reduced footprint for family entertainment and food and beverage. Future recommended Phase II commercial / hotel development is also tapered due to the reduced sport facility program.

This scenario includes a museum / cultural and healing center that honors the history and culture of the Expo site. Hunden recommends that the center’s design and function be created with community input and have a strong relationship to the Historical Significance & Memorialization Committee’s developing vision for memorialization. Wherever possible, Hunden recommends this center be constructed from materials that are disassembled from the historic halls and repurposed to build this new facility. Where appropriate, all site features should include historic and culturally important designs.

Scenario 2

Perkins&Will



Scenario 2

Parking Summary		2,300 Spaces
Surface Pkg	1,410 Spaces	
Surface Pkg - Cirque Site	640 Spaces	
Structured Parking	250 Spaces	

Scenario 2

Land Use Summary		53.4 Acres
Building Footprint	13.4 AC	26%
3 Parks/Green Space	2.9 AC	5%
Softscape - Tree Lined	3.4 AC	6%
Pedestrian Plaza	3.9 AC	6%
Surface Parking/Non-Programmed Space	29.8 AC	57%

Scenario 2

Max Court / Ice Tournaments & Local Utilization – No Turf / Track

Program Summary

- Existing Expo Halls D&E
- ▨ Temporary Outdoor Events / Cirque Du Soleil
- ▨ Repurpose of Historical Hall Materials

New Sports Facilities (Indoor) 176,640 SF

■ Community Ice (2 Ice Sheets)	78,000 SF
■ Court Facility - No Track (9 BB, 18 VB)	98,640 SF

On-Site Amenities (Phase 1) 85,120 SF*

Athletic and Entertainment Center 65,170 SF*

■ Fitness/Training	12,000 SF
■ Sports Medicine	3,000 SF
■ Meeting Space/Classrooms	6,000 SF
■ Offices	8,000 SF
■ Family Entertainment Center	15,000 SF
■ Food & Beverage (P1 F&B)	5,000 SF

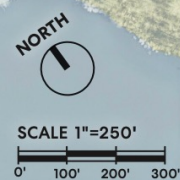
Memorial Museum

■ Memorial Museum/Exhibit	15,000 SF
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On-Site Amenities (Phase 2) 69,000 SF

■ Hotel	120-Keys / 54,000 SF
■ Food & Beverage (P2 F&B)	15,000 SF

*Subtotal plus Grossing Factor

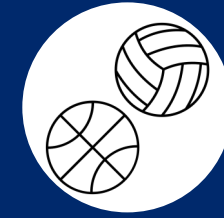


Scenario 3

Local Tournaments & Focus – No Track



1 Ice Sheet



6 Basketball /
12 Volleyball
Courts



1 Half-
Size Field

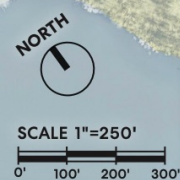
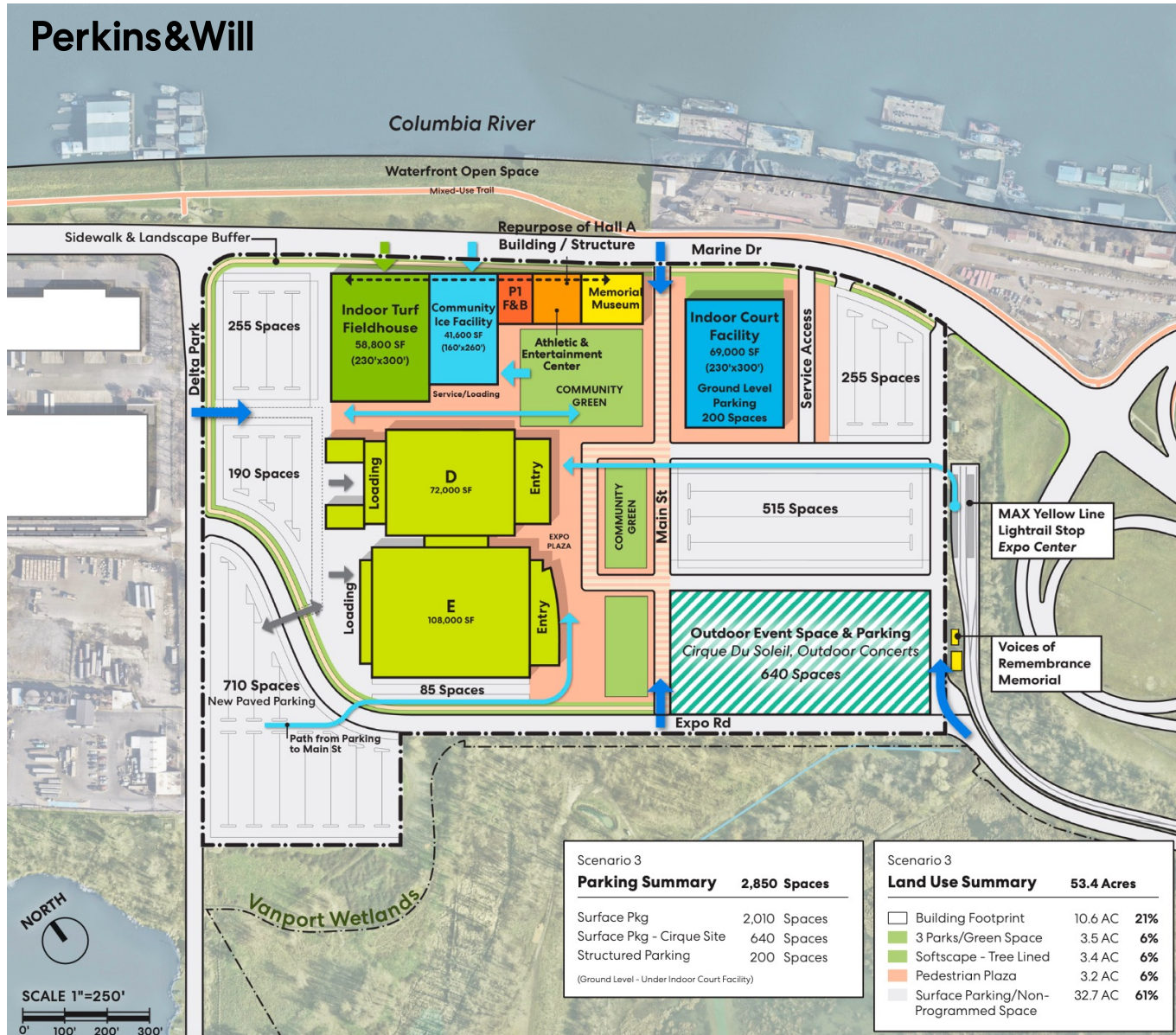
The third scenario is focused on meeting local needs with a single ice sheet, reduced courts, and a half-size turf field. This aims to meet minimum tournament needs for hockey and basketball / volleyball and provide an indoor practice space for field sports. Without having multiple ice sheets and 8-10+ courts, the area may only be able to attract smaller regional events and tournaments.

Due to the reduced program this scenario makes it possible to retain Hall A, with its interior repurposed for a memorial museum and sport facility support amenities. Hunden recommends that the design and function of the museum / cultural and healing center be created with community input and have a strong relationship to the Historical Significance and Memorialization Committee's developing vision for memorialization. Where appropriate, all site features should include historic and culturally important designs.

This scenario is proposed due to the high cost of development, primary goal for increased community engagement, and retention of its most historically significant building. This reduced program would have diminished economic impacts from long-distance visitors. Cost versus community and economic benefit will need to be considered under all scenarios. Due to its local focus, sufficient demand is not expected to support additional commercial or hotel development on-site.

Scenario 3

Perkins&Will



Scenario 3 Parking Summary		2,850 Spaces
Surface Pkg	2,010 Spaces	
Surface Pkg - Cirque Site	640 Spaces	
Structured Parking	200 Spaces	
<small>(Ground Level - Under Indoor Court Facility)</small>		

Scenario 3 Land Use Summary		53.4 Acres
Building Footprint	10.6 AC	21%
3 Parks/Green Space	3.5 AC	6%
Softscape - Tree Lined	3.4 AC	6%
Pedestrian Plaza	3.2 AC	6%
Surface Parking/Non-Programmed Space	32.7 AC	61%

Scenario 3

Local Tournaments & Focus – No Track

Program Summary

- Existing Expo Halls D&E
- ▨ Temporary Outdoor Events / Cirque Du Soleil
Repurpose of Historical Hall Materials

New Sports Facilities (Indoor)		169,400 SF
■ Community Ice (1 Ice Sheet)	41,600 SF	
■ Court Facility - No Track (6 BB, 12 VB)	69,000 SF	
■ Indoor Turf - Fieldhouse	58,800 SF	

On-Site Amenities (Phase 1)		58,520 SF*
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Athletic and Entertainment Center		38,570 SF*
■ Meeting Space/Classrooms	6,000 SF	
■ Offices	8,000 SF	
■ Family Entertainment Center	10,000 SF	
■ Food & Beverage (P1 F&B)	5,000 SF	

Memorial Museum		15,000 SF
■ Memorial Museum/Exhibit	15,000 SF	

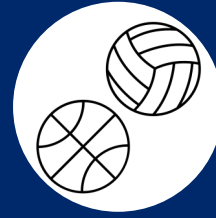
*Subtotal plus Grossing Factor

Scenario 4

Max Tournaments, Local Utilization & Professional Basketball Training Facility



2 Ice Sheets



9 Basketball / 18 Volleyball Courts



200m Track



1 Full-Size Turf Field



Training Facility

The fourth scenario mimics the maximum program in Scenario 1, but with the addition of a dedicated professional basketball training facility. This could be used by both men's and women's sports with at least two additional courts, along with significant support space including training / fitness, treatment / rehab, dining, locker rooms, team offices, and a coach / player's lounge. All scenarios also assume an ice sheet could be the new dedicated practice ice facility for the Winterhawks.

By infusing professional sports into Expo and infusing thoughtful design that allows the community and visitors to see play-in-action, engagement and visitation to Expo can increase. A professional sports training facility would make for a great addition to Expo, significantly increasing its appeal for guests as well as potential additional sponsorship and naming rights opportunities.

The two additional courts could also be used for larger regional or national events when combined with the proposed 6-9 court facility.

This scenario includes a museum / cultural and healing center that honors the history and culture of the Expo site. Hunden recommends that the center's design and function be created with community input and have a strong relationship to the Historical Significance & Memorialization Committee's developing vision for memorialization. Wherever possible, Hunden recommends this center be constructed from materials that are disassembled from the historic halls and repurposed to build this new facility. Where appropriate, all site features should include historic and culturally important designs.

Scenario 4

Perkins&Will



Scenario 4

Max Tournaments, Local Utilization & Professional Basketball Training Facility

Program Summary

- Existing Expo Halls D&E
- Temporary Outdoor Events / Cirque Du Soleil
- Repurpose of Historical Hall Materials

New Sports Facilities (Indoor) 364,792 SF

Community Ice (2 Ice Sheets)	78,000 SF
Combined Track & Court (9 BB, 18 VB)	98,640 SF
Professional Basketball Training Facility	54,352 SF
Indoor Turf - Fieldhouse	133,800 SF

On-Site Amenities (Phase 1) 98,420 SF*

Athletic and Entertainment Center	78,470 SF*
Fitness/Training	12,000 SF
Sports Medicine	3,000 SF
Meeting Space/Classrooms	6,000 SF
Offices	8,000 SF
Family Entertainment Center	20,000 SF
Food & Beverage (P1 F&B)	10,000 SF

Memorial Museum	
Memorial Museum/Exhibit	15,000 SF

On-Site Amenities (Phase 2) 138,000 SF

Hotel 1	120-Keys / 54,000 SF
Hotel 2	120-Keys / 54,000 SF
Food & Beverage (P2 F&B)	30,000 SF

*Subtotal plus Grossing Factor

Project Costs

Perkins&Will developed rough order of magnitude cost estimates for each of the scenarios. Estimates include hard and soft costs, along with contingency.

These cost estimates also include a three-year escalation and amount to an approximate 15-percent increase in the budget from today's dollars.

Scenario 3 would require the least up-front capital investment but would also generate the least economic impact and tournament demand.

	Project Cost Estimates (millions)			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Sports Facilities				
Community Ice Facility	\$ 65.7	\$ 65.7	\$ 37.1	\$ 65.7
Track and/or Court Facility	\$ 89.3	\$ 78.1	\$ 50.7	\$ 89.3
Professional Basketball Training Facility	\$ -	\$ -	\$ -	\$ 64.6
Turf Facility	\$ 95.4	\$ -	\$ 43.7	\$ 95.4
Total	\$ 250.3	\$ 143.8	\$ 131.4	\$ 314.9
Other Facilities				
Athletic & Entertainment Center	\$ 62.2	\$ 51.6	\$ 30.6	\$ 62.2
Hall ABC Deconstruction / Repurposing	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
Memorial Museum	\$ 21.7	\$ 21.7	\$ 21.7	\$ 21.7
Total	\$ 86.4	\$ 75.8	\$ 54.8	\$ 86.4
Site Costs				
Expo Main Street & Pedestrian Plaza	\$ 5.6	\$ 5.6	\$ 5.6	\$ 5.6
Outdoor Plaza & Memorial Feature	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4
Central Green & Parking	\$ 5.0	\$ 5.0	\$ 5.9	\$ 5.0
Seasonal Outdoor Event Space & Parking	\$ 7.1	\$ 7.1	\$ 7.1	\$ 7.1
Westside Parking Lot	\$ 8.1	\$ 8.1	\$ 8.1	\$ 8.1
Structured Parking	\$ 17.7	\$ 14.8	\$ 11.8	\$ 17.7
Total	\$ 44.8	\$ 41.8	\$ 39.8	\$ 44.8
Total Project Costs	\$ 381.4	\$ 261.4	\$ 225.9	\$ 446.0
Source: Perkins&Will				



Demand, Financial & Impact Projections

Sports Facility Events

Based on Hunden’s analysis of the market and discussions held with national sports facility operators, Hunden projected the number of stabilized events and event days for each of the four scenarios.

Aside from the professional basketball training facility, Scenarios 1 and 4 are identical and are projected to produce the same number of tournaments and other events. It is assumed the the court/track facility would be used for court sports nine months out of the year, and as a track facility three months out of the year.

In Scenario 2, which does not include a track, additional court tournaments are assumed due to year-round availability. In Scenario 3, a lower number of court tournaments is assumed due to the reduced courts (from 9 to 6).

Ice tournament projections were developed based on feedback from the Winterhawks team. Meetings and classes are projected to be an an additional opportunity as it relates to potential sports academies and related sports education.

Sports Facility Stabilized Event Projections (Year 3)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Events				
Basketball Tournaments	10	12	8	10
Volleyball Tournaments	14	16	11	14
Pickleball Tournaments	5	6	4	5
Wrestling Meets	3	4	3	3
Cheer/Dance	7	8	5	7
Track Meets	10	0	0	10
Ice Tournaments	18	18	9	18
Meetings / Classes	72	58	43	72
Total	139	122	83	139
Event Days				
Basketball Tournaments	20	24	16	20
Volleyball Tournaments	28	32	22	28
Pickleball Tournaments	10	12	8	10
Wrestling Meets	6	8	6	6
Cheer/Dance	14	16	10	14
Track Meets	20	0	0	20
Ice Tournaments	36	36	18	36
Meetings / Classes	72	58	43	72
Total	206	186	123	206

Source: Hunden Partners

Sports Facility Attendance

Hunden also projected stabilized attendance based on comparable facilities and the market opportunity in the Metro area.

Public use and daily rentals are based on the assumption that the court/track and field facilities would be free to the public during weekday daytime hours, available for rental on weekday nights, and available for tournaments on the weekends.

Ice facility public use and tournament attendance was estimated based on feedback of potential programming and utilization by the Winterhawks team.

Attendance projections for the family entertainment center (FEC) and proposed memorial museum only include non-sports attendees and do not include attendees visiting the facility for sports.

Due to reduced sports facilities in Scenario 3, and reduction in the tournament potential for both ice and court sports, total attendance projections are significantly reduced under this scenario.

Sports Facility Stabilized Attendance Projections (Year 3)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Public Use	128,088	116,640	98,172	128,088
Daily Rentals	142,779	124,740	108,959	142,779
Ice Facility Use	608,408	608,408	309,704	608,408
Basketball Tournaments	45,000	54,000	24,000	45,000
Volleyball Tournaments	117,600	134,400	60,984	117,600
Pickleball Tournaments	2,400	2,880	1,280	2,400
Wrestling Meets	10,800	14,400	7,020	10,800
Cheer/Dance	26,250	30,000	12,000	26,250
Track Meets	45,000	0	0	45,000
Ice Tournaments	30,240	30,240	7,560	30,240
Meetings / Classes	3,600	2,880	2,160	3,600
Family Entertainment Center (Non-Sports Visitors)	25,000	20,000	15,000	25,000
Professional Basketball Training Facility	0	0	0	9,600
Memorial Museum (Non-Sports Visitors)	16,800	16,800	16,800	16,800
Total Attendance	1,201,965	1,155,388	663,639	1,211,565

Source: Hunden Partners

Expo Events

The proposed sports facilities would have an impact on the future performance of Expo’s existing facilities. Halls ABC would be deconstructed under three of the scenarios and Hall A would be repurposed in Scenario 3 for sport facility support spaces and the memorial museum.

There are a number of events that require more space than what Halls D and E provide which could result in lost events due to the elimination of the exhibit space in Halls ABC. However, a turf facility has the ability to have a temporary hard surface overlay (e.g. Matrax) that would enable this facility to host consumer shows including heavy load events such as car, RV, and boat shows. This will increase the likelihood that Expo will retain these events despite the loss of existing halls. Scenario 2 does not include a turf facility and Scenario 3 has only half of a field; therefore, Hunden projects these two scenarios will result in a decrease of the number of large consumer shows able to be hosted at Expo.

Due to the presence of the new sports facilities, it is expected that Expo will be able to host additional larger sporting events (from 9 to 14), and that there is the potential for additional concerts / entertainment due to recent increase in demand for this at Expo.

A major outdoor event is assumed as well, which could include a Cirque event or a long-run fair / festival or a family show.

For comparison, Expo hosted 56 events over 202 event days in FY 2023. Increases to this baseline are reflected in more consumer shows (net of any applicable losses from removal of Halls ABC), concerts / entertainment, and sporting events.

Expo Stabilized Event Projections (Year 3)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Events				
Consumer Show	37	31	33	37
Concert / Entertainment	4	4	4	4
Major Outdoor Event	1	1	1	1
Sporting Event	14	14	14	14
Meeting / Seminar	6	6	6	6
Banquet	2	2	2	2
Other	5	5	5	5
Total	69	63	65	69
Event Days				
Consumer Show	111	93	99	111
Concert / Entertainment	8	8	8	8
Major Outdoor Event	50	50	50	50
Sporting Event	42	42	42	42
Meeting / Seminar	12	12	12	12
Banquet	2	2	2	2
Other	5	5	5	5
Total	230	212	218	230

Source: Hunden Partners

Expo Attendance

Expo attendance estimates were projected based on FY 2023 average event attendance and the projected number of events by type in each scenario.

In FY 2023, Expo events generated approximately 311,000 attendees. With incremental increases in consumer shows, concerts / entertainment, and sporting events, attendance for these event types are projected to increase from FY 2023 for Scenarios 1 and 4.

By having a full turf facility for Scenarios 1 and 4, Expo is expected to be able to continue its growth in business in terms of events and overall attendance.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Consumer Show	203,500	93,000	115,500	203,500
Concert / Entertainment	32,000	32,000	32,000	32,000
Major Outdoor Event	80,000	80,000	80,000	80,000
Sporting Event	77,000	77,000	77,000	77,000
Meeting / Seminar	3,450	3,450	3,450	3,450
Banquet	550	550	550	550
Other	500	500	500	500
Total Attendance	397,000	286,500	309,000	397,000

Source: Hunden Partners

Financial Projections

The table to the right outlines the stabilized financial projections (Year 3) for the sports and Expo facilities. Hunden utilized FY 2023 averages for Expo facility rental revenues per event type, concessions/catering per caps, parking per caps, other event charges per event, and admission fees as a baseline for its projections of operating revenues. Sports facility assumptions were confirmed with national sports facility operators.

Rental revenues consist of court, track, and/or turf rentals along with building rental. It is assumed that the ice facility and professional basketball training facility are based on a lease structure, whereby the Winterhawks and professional basketball team(s) pay a lease per square foot plus common area maintenance (CAM) reimbursements and are responsible for their own facility staff and operating expenses. The Winterhawks would then retain any program and other revenues generated within the ice facility; however, parking, F&B, and family entertainment center (FEC) revenues are assumed for ice facility spectators and public users. The professional basketball training facility is not expected to generate revenue outside the lease.

For spectators and public users for the sports facilities, per cap concessions/catering (Food & Beverage or F&B) and FEC revenues were assumed. Parking revenues were assumed for sport tournament spectators and Expo events (events utilizing Halls D&E) only. Based on the scope of the scenario programs, it is anticipated the facility could generate a range of naming rights and sponsorship revenues.

Hunden assumed a full load of full-time personnel and part-time labor would be needed for the sports facility, in addition to current staff at Expo. It is also assumed a private management company would operate the facilities. Currently Expo is allocated a share of Metro CAP expenses. In FY 2024, this amounts to approximately \$950,000. If Expo moves to a private management structure, this cost allocation will need to be revisited. To be conservative, however, Hunden included this expense in the projections.

Projected net operating income may appear high, but Expo would be more unique compared to some other indoor sports facilities in that it can charge for parking (only assumed for tournament spectators and Expo events) and includes a FEC that generates significant additional revenues for the facility. Without these revenues and related expenses, the facility would operate at or below breakeven. Expo also currently funds approximately \$1 million in Expo debt service annually, which will be paid off in FY 2025.

Projected net operating income is most significant for Scenario 4 compared to Scenario 1 due to the increase in facility rental revenue for the professional basketball training facility. For Scenarios 2 and 3, revenues associated with Expo events that would be lost due to the loss of Halls ABC were removed from the projections. It was also assumed approximately half of historical rentals and related revenues of utilizing parking lots may be lost due to the need to utilize parking on a more daily basis for the sports facilities. Scenario 3 also has the lowest projected NOI due to reduced sports attendance, rentals, and tournament potential.

Combined Expo / Sports Stabilized Financial Projections (Year 3)				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Revenues (000s)				
Rental Revenues	\$ 5,361	\$ 4,103	\$ 3,631	\$ 6,013
Concessions / Catering (Net)	\$ 1,634	\$ 1,174	\$ 988	\$ 1,634
Parking (Net)	\$ 3,280	\$ 2,426	\$ 2,133	\$ 3,280
Event Charges	\$ 1,335	\$ 994	\$ 1,078	\$ 1,335
Family Entertainment Center (Net)	\$ 848	\$ 762	\$ 406	\$ 848
Admission Fees	\$ 169	\$ 169	\$ 169	\$ 169
Advertising & Sponsorship	\$ 244	\$ 191	\$ 111	\$ 350
Other Revenues	\$ 159	\$ 93	\$ 53	\$ 182
Total	\$ 13,031	\$ 9,912	\$ 8,571	\$ 13,811
Expenses (000s)				
Personnel & Labor	\$ 3,968	\$ 3,475	\$ 3,317	\$ 3,968
Metro Cost Allocation	\$ 1,008	\$ 1,008	\$ 1,008	\$ 1,008
Operating Expenses	\$ 4,374	\$ 3,264	\$ 3,252	\$ 4,436
Management Fees	\$ 361	\$ 297	\$ 259	\$ 361
Total	\$ 9,710	\$ 8,044	\$ 7,836	\$ 9,773
Net Operating Income (000s)	\$ 3,321	\$ 1,868	\$ 735	\$ 4,038

Source: Hunden Partners

Return on Investment - Operations

The table to the right outlines the combined net operating income (NOI) for the sports facilities and Expo to help determine the overall return on investment for the Project.

Over 30 years, net operating income projected for Scenarios 1 and 4 amount to approximately 37-39 percent of the total estimated project costs. The percent is reduced under Scenario 2 due to the net loss in profit at Expo from the loss of major consumer shows due to reduced available exhibit space. Scenario 3 is further reduced due to the decreased profit given the locally driven sports programming.

These net profits are projected to be sufficient to cover the estimated capital reserve funds over this period, except for Scenario 3. Capital reserves needed over 30 years were estimated at 25 percent of total project costs plus \$300K annually for Expo. A thorough assessment of Halls D and E may be needed to determine any adjustment to capital reserves needed over the next 30 years.

The internal rate of return over a 30-year period is estimated at a negative five to ten percent for these scenarios, with Scenarios 1 and 4 projected to have the lowest negative return.

The net present value of NOI over 30 years (using a 7 percent discount rate) is projected to be highest for Scenarios 1 and 4, and lowest under Scenario 3.

While Scenario 4 is estimated to generate the most in profit, it has yet to be determined if professional basketball team(s) would be dedicated tenants at Expo which would generate the additional rent and support for the training facility investment.

Combined Expo / Sports Return on Investment - NOI				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Net Operating Income - 30 Years (millions)	\$ 140	\$ 78	\$ 28	\$ 172
Estimated Capital Reserve Fund (30-Years)	\$ 104	\$ 74	\$ 65	\$ 121
Construction Cost (millions)	\$ 381	\$ 261	\$ 226	\$ 446
30-Year NOI / Cost	37%	30%	12%	39%
IRR	-5%	-6%	-10%	-5%
Net Present Value of 30-Year NOI (millions)	\$ 49	\$ 28	\$ 10	\$ 61
Source: Hunden Partners				

Return on Investment – New Visitation

The table to the right outlines the combined net new stabilized annual daytrips, overnights, and room nights projected for the four scenarios.

Net new visitation impacts are most significant under Scenarios 1 and 4, which have the most and largest sports facilities, as well as the ability to host larger Expo consumer shows at the full turf facility.

Scenario 2 also has significant net new visitation impacts due to year-round court facility programming but is less than Scenarios 1 and 4 given the lack of a convertible track facility and turf, and loss of larger Expo consumer shows. As a more locally-focused facility with reduced sports programming, and a limited ability to host some of Expo’s larger consumer shows, Scenario 3 is projected to have the least net new daytrips, overnights, and room nights.

Combined Expo / Sports Return on Investment - New Visits				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Total Visits	1,598,965	1,441,888	972,639	1,608,565
Net New Daytrips	693,832	562,634	274,106	703,432
Net New Overnights	171,271	155,263	51,669	171,271
Net New Room Nights	68,982	62,048	20,626	68,982

Source: Hunden Partners

Return on Investment – New Impacts

The table to the right outlines the combined net new economic, fiscal, and employment impacts for the four scenarios.

Net new daytrips, overnights, and room nights have a direct impact on new spending and related new earnings and jobs. Accordingly, Scenarios 1 and 4 are estimated to generate the highest impacts over 30 years, as well as create the most temporary construction jobs due to increased construction costs.

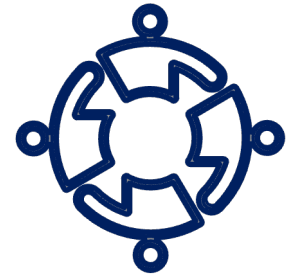
Tax impacts are also most significant under Scenarios 1 and 4, with higher net new room nights generating more net new county and city hotel taxes.

Scenario 3 is projected to generate the least in new spending, earnings, jobs, and taxes.

Combined Expo / Sports Return on Investment - New Impacts (millions) - 30 Years				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Net New Spending				
Direct	\$ 1,044	\$ 722	\$ 296	\$ 1,046
Indirect	\$ 410	\$ 284	\$ 117	\$ 411
Induced	\$ 206	\$ 137	\$ 58	\$ 206
Total	\$ 1,659	\$ 1,143	\$ 471	\$ 1,664
Net New Earnings				
Direct	\$ 463	\$ 313	\$ 131	\$ 464
Indirect	\$ 165	\$ 123	\$ 48	\$ 165
Induced	\$ 91	\$ 64	\$ 26	\$ 92
Total	\$ 719	\$ 500	\$ 204	\$ 720
Net New Jobs (actual)				
Direct	223	146	63	224
Indirect	90	59	25	90
Induced	46	29	13	46
Total	359	234	101	360
Construction Jobs (actual)	2,669	1,829	1,581	3,121
Net New Transient Lodging Taxes				
Multnomah County (5.5%)	\$ 15.1	\$ 13.6	\$ 4.4	\$ 15.1
Portland City (6.0%)	\$ 16.5	\$ 14.8	\$ 4.8	\$ 16.5
Total	\$ 31.5	\$ 28.4	\$ 9.1	\$ 31.5

Source: Hunden Partners

Community Benefits



All of the scenarios proposed for the Project would generate additional community benefits to the residents of the Metro area and the region beyond. The Project includes an investment in a memorial museum / cultural and healing center, which will provide new sports and Expo attendees, along with the public, an opportunity to learn and engage in Expo's historical significance.

The proposed sports facilities also provide the public the opportunity to be more engaged in recreational and competitive sports, which can aid in the overall mental and physical wellbeing of residents. These sports facilities would also be an attractive proposition to families considering the Metro area for relocation and aid in the retention of the Metro area's current resident base.

While Scenarios 2 and 3 offer less in terms of diversity of sports, the court and ice programs under all scenarios would meet local needs and unaccommodated demand for these related sports. Court and ice sports represent the most significant demand for indoor facilities for both year-round public use and programming, and regional / national tournament generation. By establishing new indoor sports venues to address demand, this engagement can also expand to outdoor sports and demand for related public and private facilities in the area.

New room nights projected to be generated at stabilization under Scenarios 1 and 4 could increase the local hotel competitive set occupancy from 65 to 76 percent and encourage future on-site hotel development. Even new room nights projected in Scenario 3 would lift the performance of local hotels, which have struggled to return to pre-pandemic levels. A significant lift in visitation to the site also could encourage future restaurant / retail development. These amenities would also be a value-add to the community and its nearby residents, providing more diversity in accommodations, dining, and potentially new family entertainment.

While the required up-front capital investment will be significant, the combined qualitative and quantitative benefits of the Project warrants public investment in the opportunity.

Impact Highlights

Scenario 1



694,000 New Annual Daytrips



69,000 New Annual Room Nights



\$1.0B New Direct Spending Over 30 Years



223 New Direct FTE Jobs



\$381M Capital Investment

Scenario 2



563,000 New Annual Daytrips



62,000 New Annual Room Nights



\$722M New Direct Spending Over 30 Years



146 New Direct FTE Jobs



\$261M Capital Investment

Scenario 3



274,000 New Annual Daytrips



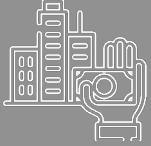
21,000 New Annual Room Nights



\$296M New Direct Spending Over 30 Years



63 New Direct FTE Jobs



\$226M Capital Investment

Scenario 4



703,000 New Annual Daytrips



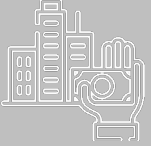
69,000 New Annual Room Nights



\$1.0B New Direct Spending Over 30 Years



224 New Direct FTE Jobs



\$446M Capital Investment

Funding Options

This table outlines potential public funding options for the Project. These funding mechanisms would require significant political will to undertake. Due to the high economic impact and community benefit of the proposed Project, however, public investment is warranted and also needed given the Project’s financial feasibility gap.

It is likely a combination of these financing tools will be needed to successfully fund the Project. While operating profits for the Project are projected to be significant and could be a potential source of capital funding, it is crucial that not only upfront capital required is funded, but also a long-term capital improvement plan to maintain the Project as a state-of-the-art facility in the region in the future.

It is assumed operating profits, including private naming rights revenues, would fund these capital reserves, while additional funding sources, such as those outlined in this table, would be potential opportunities to fund the estimated capital costs of the Project.

It is not expected that a private operator would take on the construction / development risk of the Project. A private operator could potentially offer to provide a limited up-front capital investment of up to \$3 million.

Net estimated bond proceeds from these potential revenue streams are very preliminary based on conservative debt assumptions including 2x debt service coverage and a 20-year amortization. Having Metro’s full faith and credit backing would keep bond interest rates low, and potentially improve upon the term and coverage needed, which could in turn increase net bond proceeds available to fund the project.

Expo Funding Options Summary						
Source	Description	Baseline Annual Revenues	Estimated Net Bond Proceeds	Voter Approval Required	Stability	Adequacy
VFTA	Expo Budgeted Allocation	\$ 1,500,000	\$ 10,000,000	No	Mid	Low
VFTA	Motor Vehicle Rental Tax	\$ 7,900,000	\$ 50,000,000	No	Mid	Mid
Property Tax	Inc of \$0.07/\$1,000 of AV	\$ 15,500,000	\$ 99,000,000	Yes	High	High
Solid Waste Excise Tax	Inc. of \$8.5M	\$ 8,500,000	\$ 54,000,000	No	High	Mid
Metro-Wide TLT	New Tax (1%)	\$ 10,000,000	\$ 64,000,000	No	Mid	Mid
County or City TLT	Inc. in Tax (1%)	\$ 6,000,000	\$ 38,000,000	No	Mid	Mid

Source: Metro