

## Council work session agenda

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Wednesday, September 4, 2019

12:45 PM

Oregon Convention Center, D136

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### Joint Metro Exposition Recreation Commission (MERC)/Metro Council Work Session

1. **Call to Order and Roll Call (12:45 PM)**
2. **Safety Briefing (12:50 PM)**
3. **Work Session Topics:**
  - 3.1 Metropolitan Exposition Recreation Commission (MERC) [19-5263](#)  
Update (12:55 PM)
  - 3.2 Community Construction Training Program (1:10 PM) [19-5264](#)  
  
Presenter(s): Heather Back, Metro  
Kelly Haines, Worksystems  
Pat Daniels, Constructing Hope  
Joe McFerrin, Portland Opportunities Industrialization Center  
  
Attachments: [PowerPoint: Community Construction Training Program](#)
  - 3.3 Expo Development Opportunity Study (1:40 PM) [19-5265](#)  
  
Presenter(s): Scott Cruickshank, Metro  
Hillary Wilton, Metro
4. **Chief Operating Officer Communication (2:25 PM)**
5. **Councilor Communication (2:30 PM)**
6. **Adjourn (2:35 PM)**

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### Thông báo về sự Metro không kỳ thị của

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### Metro 的不歧視公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1700（工作日上午8點至下午5點），以便我們滿足您的要求。

### Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullanka dadweynaha, wac 503-797-1700 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmaha shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

### Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1700를 호출합니다.

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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬស្នើសុំទទួលបានកាតបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក។

### إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

### Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1700 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan.

### Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Si necesita asistencia con el idioma, llame al 503-797-1700 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

### Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1700 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

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Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1700 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

### Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev saww ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwm ua ntej ntawm lub rooj sib tham.

Materials following this page were distributed at the meeting.

# Community Construction Training Program





# Pre-apprentice Training Background



# Construction Apprenticeship and Workforce Solutions



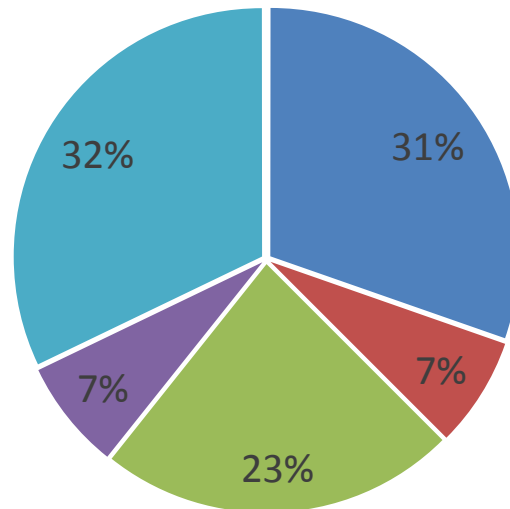
# Pre-apprentice Program Grantees





# Grant Performance: 112 Pre-apprentices

## Enrollments by Race



■ African American

■ Hispanic

■ Caucasian

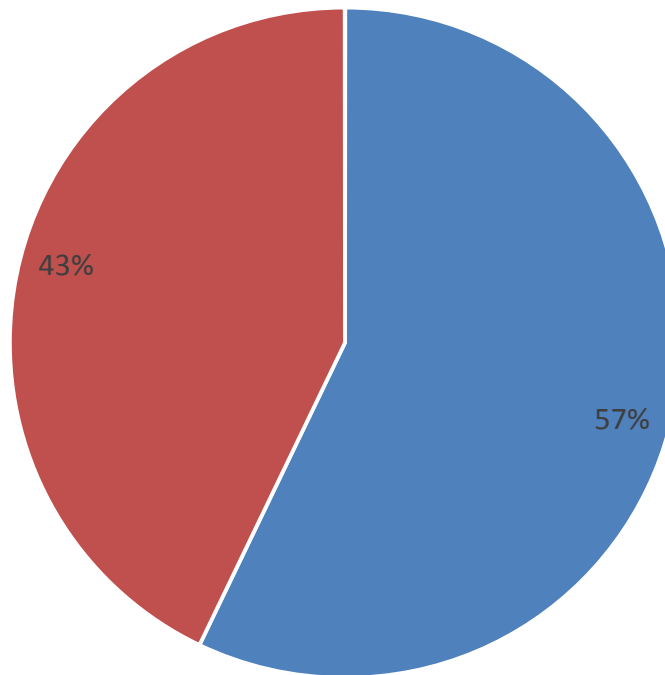
■ Asian or Pacific Islander

■ American Indian or Alaska Native



# Grant Performance: 112 Pre-apprentices

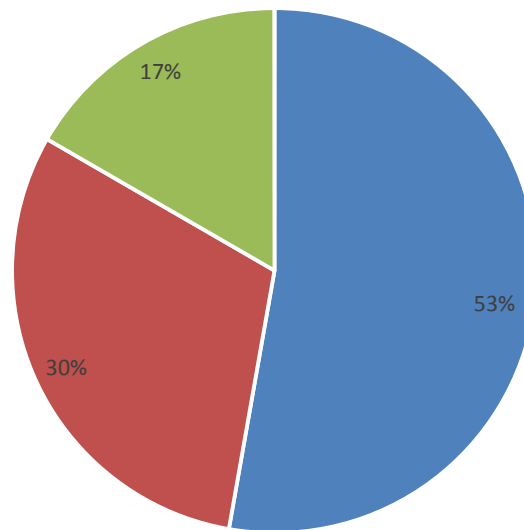
Enrollments by Gender



■ Male ■ Female

# Grant Outcomes: Placements

## Placement Outcomes to Date



- Placed in Construction Employment that is not a Registered Apprenticeship
- Placed in Construction Registered Apprenticeship Program
- Placed in other Employment

# Apprenticeship Support Services

- Funding to support onsite Registered Apprentices on the Hyatt Regency Portland and adjacent jobsites
- Tools/boots, transportation, childcare
- Served 91% women and people of color

**AKANA**



# Grant Outcomes: Return on Investment

- 72 pre-apprentices were previously unemployed
- Average starting wage in Construction:  
\$18-20 per hour or \$39,520 annually
- Average annual state tax revenue:  
\$256,000
- 43% previously on public assistance:  
Building a future to get on a better path



# Grant Outcomes: Summary and next steps

- 113% overall enrollment
- 80% women and people of color
- Served apprentices directly on the jobsites and expanded to surrounding jobsites
- Continue to support graduates: retention and advancement
- Building upon model to partner with other Contractors and Public Owners: Investing in the regional workforce pipeline

# Pre-apprentice interviews

**Thank you**

**[oregonmetro.gov](http://oregonmetro.gov)**





# Portland EXPO Venue and Asset

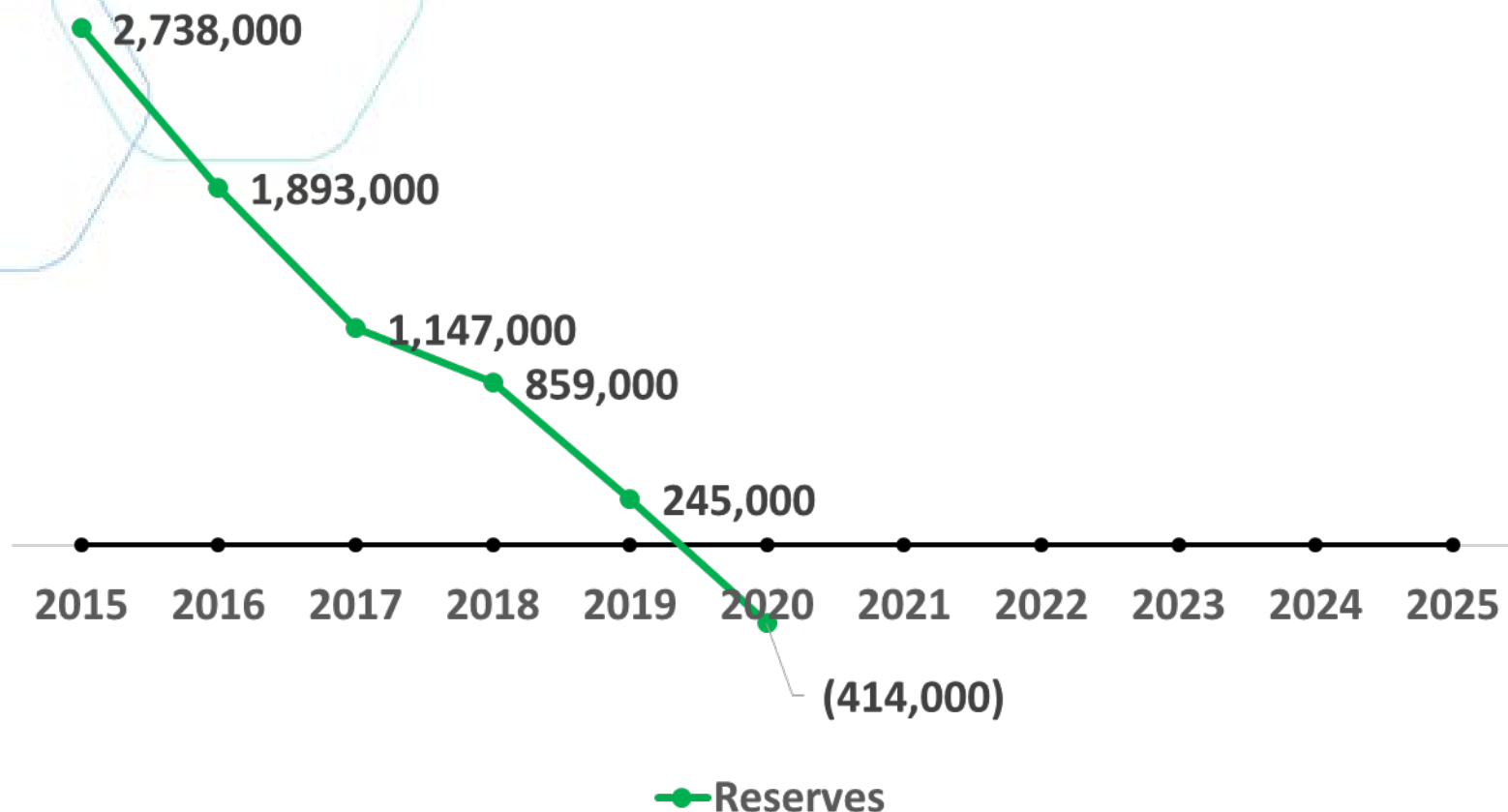




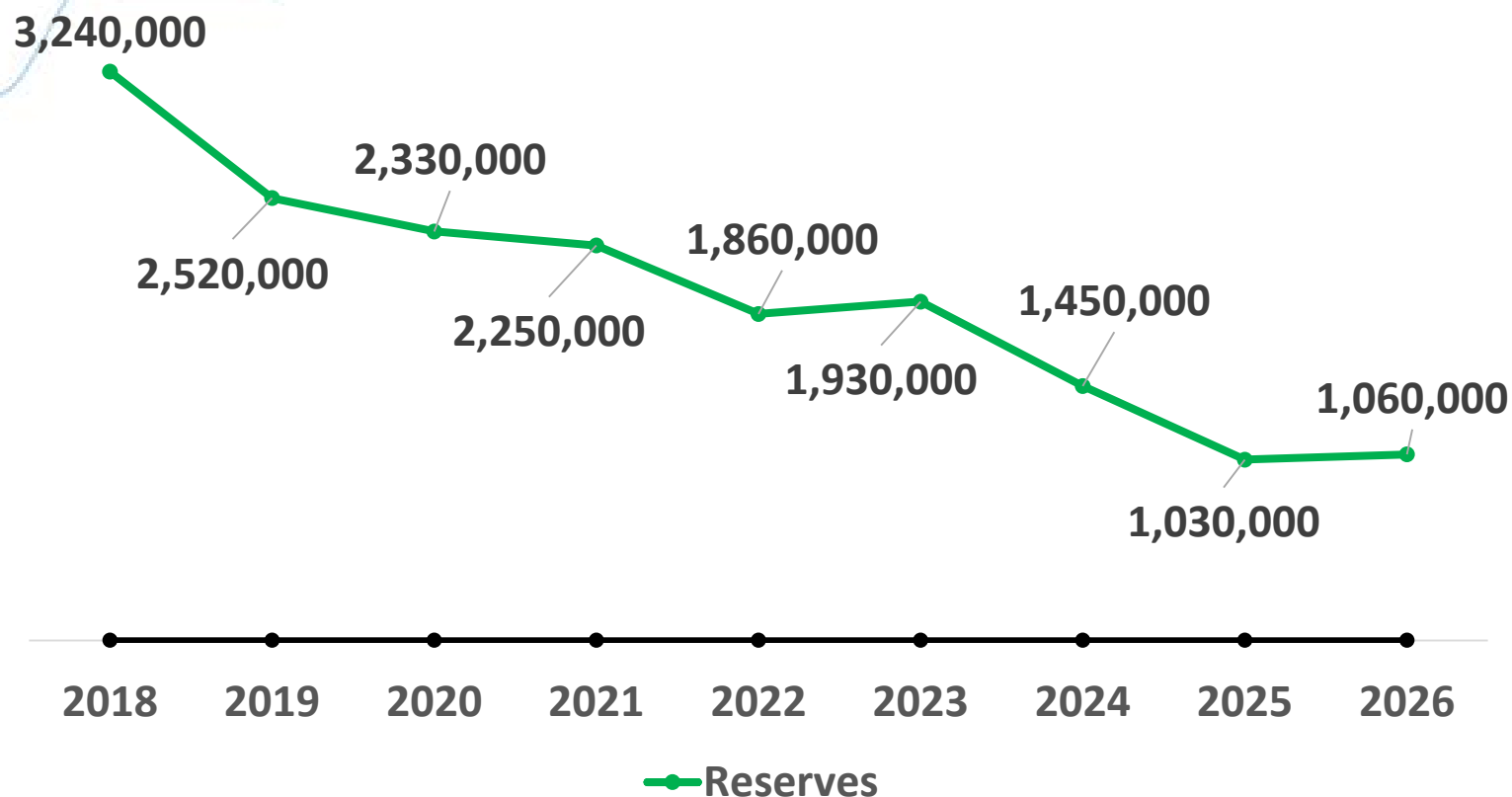
# EXPO Challenges

- Poor condition of Halls A, B, and C result in poor occupancy, together they comprise less than 15% of EXPO's total Hall Revenue.
- In depth 2015 venue study determined that significant capital investment is required to make EXPO successful and financially self sustaining. There is no long term funding strategy to improve underutilized Halls.
- Due, in part, to the approximately \$1M/year debt service committed until 2025 for Hall D rebuilding, EXPO was operating at a deficit.
- Attempts to diversify revenue streams beyond the current business model have had insufficient impact on this.

# EXPO Financial Snapshot



# EXPO Financial Forecast



# EXPO Impact

- The Portland Expo Center serves as a gathering place for a wide range of events and communities.
- The Portland Expo Center is Oregon's largest multi-purpose facility. The 53 acre campus boasts five exhibit halls totaling over 333,000 square feet and ten varied meeting rooms.
- In Fiscal Year 2018, the Center hosted 115 events, welcoming 497,000 patrons, inducing \$54.8 million in local economic impact, supporting 560 jobs.
- The property has a rich cultural past that has touched the lives of many Portlanders and visitors throughout its history.





# EXPO History

## Historical significance



- In 1942, during World War II the Portland Assembly Center housed Japanese-Americans before their transfer to internment camps.
- EXPO also serves as a remembrance site for people of color in the greater Portland region who lived in the surrounding area during the Vanport flood of 1948.
- In 1959, the Portland Expo Center was the location of the Oregon Centennial Exposition and International Trade Fair to commemorate one hundred years of statehood.

# Current Work

## 1. Phase 1 Environmental Investigation

## 2. Updated Property Title Report and Assessment

## 3. Development Opportunity Study (“DOS”)

- Site, Venue and Market Assessment.
- Based on this assessment develop concepts / scenarios that may be feasible.
- Do more in depth development feasibility and venue performance assessment of 3-5 concepts (development programs evaluated will contemplate continued venue operations).
- Present a decision making tool identifying opportunity and impacts of various paths.

# DOS Internal Project Team

## Leadership (Steering) Team

- Christine Lewis, Metro Councilor and MERC Liaison
- Damien Hall, MERC Commissioner
- Scott Cruickshank, General Manager Visitor Venues
- Matthew Rotchford, EXPO Center Director
- Paul Slyman, Chief of Staff to the Metro Council President

## Technical Expert Team

- Jonathan Williams, TOD Program Development Specialist
- Brian Moore, Willamette Falls Project Manager
- Rachael Lembo, MERC Financial Manager
- Office of the Metro Attorney (with expertise including Environmental Investigations and Title Review)

## Project Manager

- Hillary Wilton, Senior Development Specialist

# DOS Consultant Project Team

## DOS

- Cascadia Partners: A local, certified Emerging Small Business with decades of experience planning, design, development finance, project management and engagement.

## Environmental Investigations

- Hart Crowser: Highly regarded geotechnical and environmental engineers and scientists consulting on public and private projects since 1974.

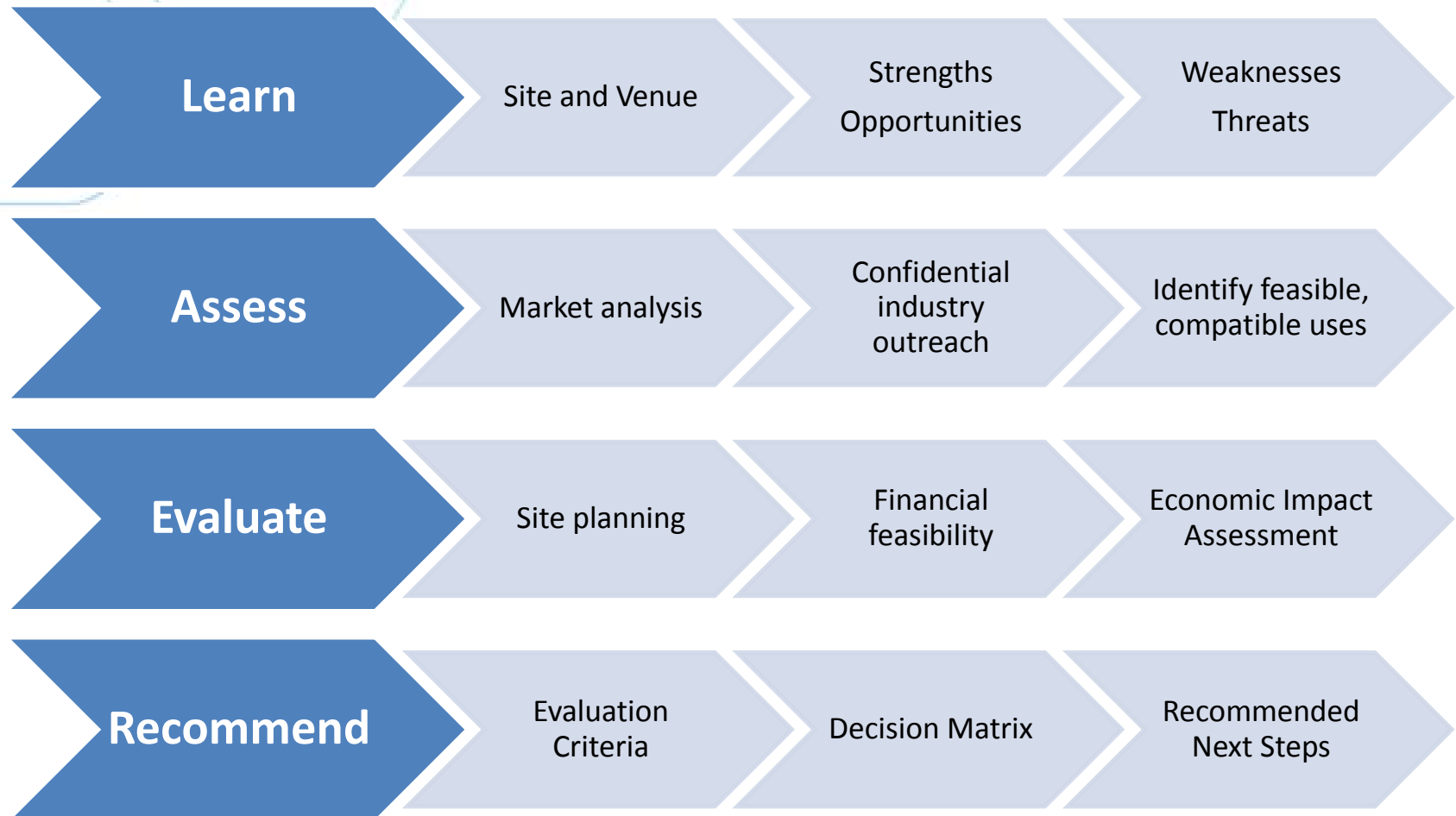
## Property Title

- Chicago Title



# Development Opportunity Study

## Key Phases



# Development Opportunity Study

## Site Analysis

### Understand Strengths, Weaknesses and Opportunities of Site

- Existing uses and space needs
- Zoning
- Circulation
- New use space needs
- Site planning analysis
- Basic site plans



# Development Opportunity Study

## Venue Impact

- Program Impacts
- Revenue Impact Forecasts
- Stakeholder Impacts, including:
  - Staff
  - Attendees
  - Clients
  - Service Providers
  - Dependent businesses e.g. local hotels



# Development Opportunity Study

## Financial Feasibility (Pro Forma)

- Populate Pro Forma Assumptions
- Evaluate Performance
- Compare Value
- Use Mix
  - Venue
  - Commercial (logistics, office)
  - Housing
- Construction Costs
  - Site and Buildings
- Revenue Streams
  - Venue
  - Commercial Rents
  - Land Lease

Operating Statement Summary				
	Escalation	Year 1	Year 2	Year 3
<b>GPI</b>				
Other Income		\$53,244	\$54,841	\$56,486
<b>Total Income</b>		\$53,244	\$54,841	\$56,486
Less: Vacancy		\$5,324	\$5,484	\$5,649
Less: Concessions, Market Loss		\$58,568	\$60,325	\$62,135
<b>EGI</b>		\$11,714	\$3,016	\$3,107
Less: Operating Costs	3.00%	\$1,171	\$1,206	\$1,243
Less: Property Taxes	5.00%	\$45,683	\$56,102	\$57,785
Plus: Property Tax Abatement	2.00%	\$5,324	\$5,484	\$5,649
Plus Sales Tax Abatement		\$0	\$0	\$0
Plus TIF + IRA Retainage of Taxes		\$0	\$0	\$0
Cash Throw Off to Public Partner		\$0	\$0	\$0
Plus: Retainage of Property & Sales Taxes	3.00%	\$0	\$0	\$0
<b>NOI</b>		\$0	\$0	\$0
Less: Debt Service		\$0	\$0	\$0
<b>Net Cash Flow</b>		\$0	\$0	\$0
Cap Rate		\$0	\$0	\$0
<b>Cash on Cash Return (Equity Dividend Rate)</b>		\$0	\$0	\$0

### FINANCIAL PERFORMANCE

Rental

Cash-on-Cash (After Year 3)

IRR on Project Cost (Unleveraged Return)

IRR on Investor Equity (Leveraged Return Before Tax)

Debt Service Coverage Ratio (Year 3)

#### Owner

Project Rate of Return

Return to Equity

#### Subsidy

Subsidy Amount

% of Project Costs

1.1%

5.7%

5.3%

1.06

0.0%

0.0%

\$

0%

\$52,137

\$49,023

\$3,113

5.76%

1.15%

5.93%

1.72%

\$53,701

\$49,023

\$4,677



# Development Opportunity Study

## Example Development Priorities



- Understand the impact of maximizing certain priorities, such as:
  - Cash – sale
  - Revenue – rent, land lease
  - Impact – economic impact, jobs
  - Market Potential – highest and best use
  - Affordable Housing
  - Other priorities?



# Development Opportunity Study Decision Making Tool

How we will compare alternative priorities and impacts.

**What if we maximize  
priority X?**

Priority A

Development  
Program

Program X

Program Y

Quantify  
Impacts

Impact A

Impact B

Impact C

Impact D

# DOS Investigation Timeline

Timeline	2019					2020				
	August	September	October	November	December	January	February	March	April	May
Task 1: Kick-Off Meeting										
Task 2: Site Assessment										
Task 3: Venue Assessment										
Task 4: Market Assessment										
Task 4.1: One-on-One Industry Outreach										
Task 4.2: Strengths & Opportunities Summary										
Task 5: Identify Development Opportunities (5)										
Task 6: Feasibility Assessment (5 Schemes)										
Task 7: Venue Performance Assessment (up to 5)										
Task 8: Economic Impact Analysis										
Task 9: Final Memo										
Task 10: Additional Presentation Materials (Optional)										

# Development Opportunity Study

## Desired Outcomes

**A tool that helps us determine the best public benefit of the EXPO Center venue and property.**

- Identify major opportunities and constraints to redevelopment.
- Venue impact analysis of redevelopment scenarios.
- Evaluation of scenarios / alternatives based on priorities (values), for example:
  - Market Viability
  - Real Estate Return (cash / revenue)
  - Economic Impacts (jobs / wages)
  - Venue and Stakeholder Impacts