

Metro Council/MERC Commission Joint Meeting
EXPO DEVELOPMENT OPPORTUNITY STUDY UPDATE

Date: April 23, 2021
Department: COO/Venues
Meeting Date: May 5, 2021

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Length: Approx 1 hour

ISSUE STATEMENT

We are pleased to have the third joint discussion between Metro Council and the Metropolitan Exposition Recreation Commission (MERC) regarding the Metro Expo Center Development Opportunity Study (DOS). Previous discussions were held during the September 4, 2019 and September 3, 2020 Joint Meetings of Metro Council and the Commission.

Over the last eight months, and specifically since early March, we have received valuable input from Metro Council and MERC as well as key stakeholders in communities with ties to the Expo property including:

- The Japanese American community with historical connections to the property subsequent to the internment by executive order that occurred at the then Portland Assembly Center;
- The African American community with connections to the site through Vanport;
- The urban Indigenous community and Tribal governments with historical and ongoing connections to the site and Columbia River and through Vanport;
- The client and business community.

This outreach and engagement has informed and evolved the Guiding Principles that will provide structure for evaluating potential future scenarios. We also conducted four community conversations in March where stakeholders including other stakeholders who contributed to the process: market and subject matter experts, providing additional input.

A look to the Future

The goal of this project remains consistent with Council's original direction, to develop potential futures for the Expo Center site that achieve several core principles: maximize community benefit, ensure long-term financial sustainability, and honor the historical and cultural legacy of the site and surrounding area. At the conclusion of this process, Metro leadership will be provided with several future scenarios that could shape the future of the Expo Center site in service of these core principles.

ACTION REQUESTED

Discussion of specific policy-related questions to shape documents for Metro's Request for Information solicitation.

IDENTIFIED POLICY OUTCOMES

N/A

POLICY QUESTION(S)

Questions discussed in the 5/5 Metro Council MERC Commission joint meeting will address topics of:

- Community Engagement
- Operational Oversight
- Long and short time financial outlooks
- Desire for future updates

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Questions related to the above topics offer a variety of options for Council and Commission to consider and provide feedback and direction to staff.

STAFF RECOMMENDATIONS

N/A, seeking staff direction for development of RFI documents

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The Development Opportunity Study remains focused on the long-term potential of the center and property.

- The project is served by a Steering Team with representation from Metro Council and MERC (Councilor Christine Lewis, Commissioner Damien Hall, Commissioner Deidra Krys-Rusoff, Andrew Scott, Matthew Rotchford), Project Sponsor Paul Slyman, Project Manager Hillary Wilton and a Project Team (Matthew Rotchford, Alicia Crawford, Heather Back, Ramona Perrault, Nick Christensen, Chuck Dills, Katie McDonald and Amy Nelson), a Venue Team (Hillary Wilton, Venue Staff, Peter O'Loughlin and Dave Nielsen (Expo clients and members of the Expo Advisory Committee)) and a Real Estate Technical Advisory Team (Jonathan Williams and Brian Moore)
- The consultant scope work for the main study is funded in this year's budget however it does not include a formal proposal process.
- There is particular concern from the business and client community -- some of whom have testified to Metro Council in the past year -- that the venue will be negatively impacted by the study.
- There is additional concern from the community that engagement with key stakeholders is not sufficiently inclusive of community interest in the study.
- The current process includes some analysis of potential economic impacts but comprehensive economic impact studies of each scenario are not scoped or funded for this project.

BACKGROUND

At the request of Metro Council, the Portland Expo Center Development Opportunity

Study was launched in 2019 to assess the value and opportunities for the greatest public benefit of the 53-acre Expo property and venue. Despite the hard work, flexibility, and innovation of our team of professional staff, Expo has significant capital needs and no identified funding source to meet these needs over time. This study will identify development options that could complement, support or replace the current event center's operations.

Any analysis about the future of Expo must begin with a decision to either hold, or sell the site. During the March 2, 2021 work session, staff and consultants presented Metro Council with potential future scenarios in the following categories:

- Sell and Invest-- a market-based strategy to leverage the current strength of the industrial market and redirect sale proceeds towards community benefits elsewhere;
- Hold and Replace-- a market-based strategy which would leverage the unique size and locational strengths of the site while allowing Metro to maintain ownership of the site;
- Hold and Repurpose-- an opportunity to leverage the existing structures to provide much-needed, low-cost space to a mix of users; and
- Hold and Complement-- an opportunity to expand use of Expo facilities while maintaining some level of current venue functions.

Note: all of the above scenarios could be for all or part of the Expo project.

Each future scenario comes with distinct advantages and disadvantages. Council directed project staff to prioritize potential "Hold" scenarios over the Sell and Invest scenario and to begin assembling documents to advertise these Hold opportunities to the community and market to gauge interest and ideas for the future of Expo. Staff shared this direction with MERC Commissioners at their May 3, 2021 meeting.

Staff have examined the Request for Information (RFI) possibilities internally and conducted outreach to other professionals in establishing baseline documents that will provide guidance to interested parties who may wish to submit information, or partner with other submittals, in response to the eventual solicitation.

Best practices in developing RFI documents include establishing as many guideposts as possible to ensure respondents have clarity and evaluation is straightforward. Staff will be primarily utilizing the community-developed Guiding Principles for this purpose, and have several questions to pose to Council and MERC Commission to more accurately develop Metro's RFI solicitation package.

ATTACHMENTS

Expo Dos Reference Guide

[For work session:]

- Is legislation required for Council action? ☐ Yes ☒ No
- If yes, is draft legislation attached? ☐ Yes ☐ No
- What other materials are you presenting today? Powerpoint slides