

Metro

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Metro

Minutes

Wednesday, May 5, 2021

12:30 PM

Joint Metropolitan Exposition Recreation Commission/Council

Work Session

[https://us02web.zoom.us/j/89951561451?](https://us02web.zoom.us/j/89951561451?pwd=b001SE1yV3ZjZUxSUHFicGhNdkdTQT09)

pwd=b001SE1yV3ZjZUxSUHFicGhNdkdTQT09 or 253-215-8782,

346-248-7799

Council work session

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<https://us02web.zoom.us/j/89951561451?>. If you wish to attend the meeting, but do not have the ability to attend by phone or computer, please contact the Legislative Coordinator at least 24 hours before the noticed meeting time by phone at 503-797-1916 or email at legislativecoordinator@oregonmetro.gov.

12:30 Call to Order and Roll Call

Deputy Council President Shirley Craddick called the work session to order at: 12:30 p.m.

Present: 7 - Council President Lynn Peterson, Deputy Council President Shirley Craddick, Councilor Bob Stacey, Councilor Christine Lewis, Councilor Juan Carlos Gonzalez, Councilor Mary Nolan, and Councilor Gerritt Rosenthal

Work Session Topics:

12:40 Metropolitan Exposition Recreation Commission (MERC) Update

Deputy President Shirley Craddick introduced MERC Chair Karis Stoudamire-Phillips to discuss MERC venues.

Chair Stoudamire-Phillips expressed optimism for fostering understanding during the meeting and began the MERC Update by highlighting the efforts of MERC venue directors over the past year. She noted that venues have been having conversations on racial justice, confirming that Metro's commitment to racial equity is embodied in venue staff. Chair Stoudamire-Phillips commended venues and directors for standing in solidarity with Black Lives Matter and front line workers. Venue directors have been working to make their venues safe for reopening. She noted that the Oregon Convention Center and Expo have served as COVID testing sites and OCC has served as a vaccination site. OCC also welcomed families displaced by wildfires. Among the achievements of venues during the year, the P'5 education

program was able to serve 31,000 students by streaming shows and OCC administered half a million vaccines. She thanked the venue staff for rising to the challenges during the pandemic.

Council Discussion

Deputy Council President Craddick thanked Chair Stoudamire-Phillips for sharing what MERC venues have been doing over the last year.

12:45 Strategic Framework-How we will Build Back Better

Deputy Council President Craddick introduced Chief Operating Officer Marissa Madrigal to present the Strategic Recovery Framework.

Ms. Madrigal greeted MERC Commissioners and Councilors and acknowledged that the events of the last year have disrupted Metro's long term planning. She gave an overview of pre-pandemic plans and goals of the regional investment strategy, regional waste plan, major infrastructure investments in visitor venues, and a strategic plan for the region. She explained that she hopes to reach a shared understanding of where Metro needs to go and how to adjust to the changes in the world. She began by explaining what Metro had been working on prior to the pandemic, like the Regional Investment Strategy, Regional Waste Plan, and major infrastructure investments in visitor venues. The pandemic has impacted Metro through multiple rounds of lay-offs, fiscal uncertainty, and revenue shortfalls. Metro did not receive funding from stimulus packages because of its unique nature. Ms. Madrigal noted that the pandemic was felt unevenly across society and across Metro as well, with some areas faring better than others. The goal now is for leadership to figure out how to support both rebuilding

and growth across Metro's operations.

Ms. Madrigal emphasized that Metro must hold to its two high-level commitments of keeping promises made to the region and building back better. She reviewed three key values to apply to recovery work which included public service, resilience, and safety. She shared the guiding principles of the strategic plan which included racial justice, climate justice, and shared prosperity. These principles should guide Metro's work at all levels. Ms. Madrigal emphasized that commitments and principles should shape actions in all of Metro's roles to ensure that they are implemented.

Council Discussion

Commissioner Ellis Leary stated that it was a good plan but that the challenge comes from implementation. He emphasized keeping past promises while continuing to make new commitments. He expressed appreciation for the way that Ms. Madrigal made aspects of the strategy very inclusive.

Chair Stoudamire-Phillips expressed appreciation for dialogues about the future including commitment to racial justice and inclusivity. She emphasized that using and meaning these words means a lot to venue employees.

Commissioner John Erickson added that coming out of COVID gives Metro the opportunity to bring back staff that could not work at venues, which would be an economic boost.

Commissioner Leary discussed making sure that as we discuss the future to include consideration of the economic

viability and impact of venues. He expressed a desire to conduct an economic impact study to understand the impacts of venues.

Commissioner Dañel Malan expressed appreciation for Matthew and Craig being able to pivot and use venue sites for vaccination and testing. She emphasized taking advantage of similar community opportunities in the future.

Commissioner Deanna Palm asked how Metro is engaging with local jurisdictions on guiding principles.

Ms. Madrigal discussed how the speed of events made it difficult to influence other partners. She plans to engage with partner jurisdictions to share Metro's approach, and that many agree that things will be different from prior to the pandemic.

Commissioner Palm noted that MERC commissioners serve throughout the region and emphasized making sure that everyone is on the same page when engaging with jurisdictions. She also spoke to how she hopes for more connectivity in the future.

Councilor Mary Nolan noted that this is an opportunity to clarify what has been promised as well as an opportunity to update promises so that they reflect current values. She expressed a desire for Metro to lead with a racial equity lens and work in partnership with MERC Commissioners.

Commissioner Leary agreed and stated that Commissioners would be open to brainstorming ways to work with Metro Council.

1:00 Expo Development Opportunity Study

Deputy Council President Craddick introduced Metro Staff Paul Slyman and Hillary Wilton to present on the Expo Development Opportunity Study (DOS).

Mr. Slyman explained that there will be three presentations, first on Expo itself, then on financial information related to Metro and Expo, and finally policy questions that Commissioners and Councilors will give the DOS team direction on. Mr. Slyman introduced Executive Director of the Portland Expo Center Matthew Rotchford to present on Expo.

Mr. Rotchford shared his experiences being a part of thousands of events in the city. He spoke to the cultural and democratic values supported by public places like Expo where people can gather together. It provides a place for communities to learn and be entertained while also supporting businesses throughout the region. He also acknowledged that for some members of the community these sites represent painful historical memories. He noted the economic, cultural and social benefits provided by Expo, including the use of it for solar power. He stated that Expo is largely sustained by patrons without tax benefits and emphasized that the key to success is finding the right partnerships to build back better.

Mr. Slyman then introduced Chief Financial Officer Brian Kennedy to present on Expo's financial situation.

Mr. Kennedy began by explaining Expo's Operating Results. Expo works as an Enterprise Fund, meaning that its primary source of revenue is charges for services. He shared an operating results chart that showed past and forecast operating results, which showed that Expo has posted losses in eight of the last ten years. He noted that the

financial challenges faced by Expo are not new, though they have been exacerbated by the pandemic. He specified the specific challenges of event revenues growing slowly, operating expenses growing at about the same rate of event revenue growth, and fixed costs having significant impacts on revenues. He explained the cost allocation plan and how it is used to allocate costs to departments. He then discussed Metro's debt service which was taken on to fund Hall D. He then moved on to detail how capital financing strategies vary across venues and the challenges facing funding. Challenges included that Expo has several aging buildings, costs for upgrades or replacements dramatically exceed available resources, and that Expo has been unable to consistently contribute to fund ongoing renewal and replacement of facilities. Additionally, expected Expo trust allocations are much lower than first projected because of the pandemic. Mr. Kennedy concluded that the slow recover of the Visitor Development Fund revenues likely means that Expo will face negative net operations until after its debt service is fully repaid in 2026.

Mr. Slyman explained that in the next segment Metro Staff Hillary Wilton, Chair Stoudamier-Phillips, and he would go over policy statements that Councilors and Commissioners would react to by showing how much they supported or disagreed with each statement. Policy statements will help guide the Request For Information.

Mr. Slyman began by thanking the Expo team for their work, passion, and ideas they have brought to the project team. He explained that the Request for Information includes peer conversations that have informed the team that a successful process engages the community and provides policy and project goal clarity. It was also informed by other RFI processes and policy and project goal direction.

Commissioners and Councilors gathered red yellow and green objects so that they could visually indicate agreement, questions, and disagreement with statements related to the Expo DOS process.

Mr. Slyman reviewed the project goals of public interest, financial sustainability, and greatest public benefit to the communities that have strong ties to the site.

Ms. Wilton reviewed the community engagement that was done with those who had strong ties to the site. Communities engaged included the African-American community, Japanese community, and urban indigenous community.

Mr. Slyman shared that the first statement related to honoring historical and cultural connections to the site. After each statement Councilors and Commissioners indicated their support. The first statement was “the goals of the DOS study should remain: an analysis of potential futures for the Expo Center that provide the best public benefit, including honoring important cultural histories at the site, and financial sustainability”.

Ms. Wilton explained that many of the statements are meant to create a good RFI process. She gave an overview of the entire RFI process. The first step in the process is community conversations, the second step is narrowing options, and the third step is a detailed assessment. The current phase is in step 2. Mr. Slyman read the second statement of “proposals that arise from the RFI will require a more in depth analysis of how and if they meet project goals and align with guiding principles.”

Mr. Slyman explained that after the RFI there will be a request for proposals from contractors before deciding on a path forward for Expo. Potential paths forward included sell and invest, hold and replace, hold and repurpose, and hold and complement. The third statement was “after the RFI we will bring our analysis back to you with openness to other pathways”.

Ms. Wilton presented a slide on the guiding principles and reviewed the fourth statement which was “the guiding principles should be strongly represented in the Evaluation Criteria for the RFI”. Mr. Slyman clarified that they are not asking for the guiding principles to be completely approved at this point.

Mr. Slyman discussed economic considerations and the benefits of Metro venues to the area. The fifth statement was “Expo Center operations need to have a positive operating budget and contribute to Metro’s General Fund”.

Mr. Slyman discussed the Expo capital asset management and reviewed the sixth statement of “Expo Center operations need to directly provide for long-term capital asset improvement needs of Halls A, B and C or otherwise generate money toward long-term capital asset improvements”.

Ms. Wilton explained that for now they are focusing on scenarios where Metro holds on to the Expo center, instead of the Sell and Invest option. Retaining ownership means the site would be held in public ownership and it lowers the investment cost for possible future scenarios. The Hold and Complement option would mean complementing operations, which would be an opportunity to include new uses of the facilities while maintaining functions. Hold and

Repurpose would mean that smaller scale venue operations could continue, depending on what the purpose is. Hold and Replace would be closest to the Sell and Invest option. Mr. Slyman read the seventh statement which was “for the RFI process, proposals that maintain some level of venue functions should be prioritized”.

Ms. Wilton discussed that hold and complement option could include holding on to Halls D and E as exposition spaces while also retaining operations control of the site. The eighth statement was “Metro expects to maintain some operations control in future scenarios that include venue operations”.

Mr. Slyman explained that the ninth statement related to values-based engagement to public involvement for the RFI. He read statement nine which was “additional community involvement for the RFI is an important part of strengthening the DOS process”.

The final statement was “I would appreciate a Joint Metro Council/MERC Commission meeting to hear updates on the Expo DOS in 3-6 months”.

Council Discussion

The statements that received the most red responses were statements five and six. Mr. Slyman reviewed those statements for the Councilors and Commissioners.

Commissioner Deidra Kryz-Rusoff explained that the reason she did not like statement five was because it was too black and white and not accommodating enough for various situations that may come up.

Commissioner Malan agreed with Commissioner Kryz-Rusoff and noted that Cirque du Soleil would be returning, which generates a lot of revenue.

Chair Stoudamire-Phillips added that she held up red for statement five because she wanted to keep in mind the reasons they pursued a convention center hotel. She noted that once things are back up and running more events would shift to the Expo center.

Councilor Christine Lewis explained that she was yellow on this statement because of the “must contribute to general fund” part of the statement. She emphasized that though contributing is not a necessity, the general fund is very limited, and can’t send out a lot of money.

Commissioner Hall explained that he put up a red color because even when operating costs are negative, they can provide many significant community benefits. He also stated that he believed that Expo had been able to contribute to the general fund.

Councilor Bob Stacey expressed concern about the utility of halls A and B and continuing to pay maintenance.

Councilor Nolan noted that there seems to be a divide between the Commission and the Council. She expressed concern for other operations that would have to be sacrificed in order to use the general fund to support Expo.

Councilor Juan Carlos Gonzalez mentioned that he believes operations need to be optimized so that the site can break even.

Commissioner Hall acknowledged that hard choices need to

be made and encouraged the conversation to include more solid financial numbers.

Commissioner Kryz-Rusoff agreed and noted that Expo is contributing to the general fund.

Mr. Slyman acknowledged that there is a desire for the team to come back to Councilors and Commissioners with more detail on the venue's operating budget.

Councilor Nolan clarified that she believes that the next step is the ability to build an operating reserve before contributing to the general fund.

Commissioner Leary emphasized wanting to look more at Expo's public benefit and impacts on vendors.

Chair Stoudamire-Phillips reviewed the seventh statement and opened up the discussion on it. She acknowledged that this would be an ongoing conversations. She agreed with Commissioner Leary that it is important to consider impacts on vendors who have used the site for many years.

Commissioner Deanna Palm pointed out that government is expensive and that costs are different compared to the private sector.

Councilor Nolan requested that there be more data on statement seven. She expressed a desire to understand more about the vendors and consumers using Expo. She brought up that providing an entertainment space for already privileged members of society is not a priority for Metro. She expressed a desire to gain a better understanding of who the site serves.

Deputy Council President Craddick questioned what the actual need in the region is for venues and large facilities. She expressed a desire for the group to think about what that need is and how Expo could contribute to it.

Councilor Gonzalez agreed with Deputy Council President Craddick.

Commissioner Malan spoke to the versatility of the venue. It serves as a performance center as well as an outdoor event space. Its multiple functions and location help make it useful. She encouraged people to think further into the future.

Mr. Slyman acknowledged the request for more financial information.

Chair Stoudamire-Phillips felt it would be helpful to send very specific questions to the team so that they can answer them in depth.

2:05 Chief Operating Officer Communication

Ms. Madrigal reiterated that she would be happy to answer any questions about the Strategic Framework.

2:15 Councilor Communication

There was none.

2:30 Adjourn

Seeing no further business, Deputy Council President Shirley Craddick adjourned the meeting at 2:48 p.m.

Respectfully submitted,

Connor Ayers

Connor Ayers, Council Policy Assistant

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MAY 5, 2021

ITEM	DOCUMENT TYPE	DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
2.0	Presentation	05/05/21	Strategic Recovery Framework	050521cw-01
3.0	Presentation	05/05/21	Portland Expo Center Presentation	050521jcw-02
3.0	Presentation	05/05/21	MERC Council JWS Expo Finances	050521jcw-03
3.0	Presentation	05/05/21	Expo DOS Presentation	050521cw-04