

Oregon Convention Center

2013-2014
Annual Report



MAKING A
GREAT
PLACE





Portland

is happening now

Portland is a happening city – food, culture, livability, young professionals. Its energy and vitality has been written about in newspapers and relayed on television in abundance the past several years. ■ This is one case where you should believe the hype. People are moving to Portland in record numbers. Before they move here, they usually visit. The Oregon Convention Center – one of the country’s top visitor facilities – has played a crucial role in Portland’s rise to prominence as its central gateway for visitors to the city. ■ In Fiscal Year 2013-14, the Oregon Convention Center hosted 343 events of all kinds that brought in 549,762 people – many of them first time visitors to Portland. Its goal as a tourism facilitator is to generate energy – financial, social, and more – for the city and state. These events created an estimated \$294.7 million in direct spending for the Tri-County region and \$516.6 million in combined direct, indirect and induced spending. Five thousand jobs were supported through the \$197.5 million in personal earnings produced by its events. ■ This report aims to highlight the endeavors at the Oregon Convention Center during the past year while offering data that testifies to the fiscal impact the venue has on the entire region and state. The Oregon Convention Center is owned by Metro and operated by its Metropolitan Exposition and Recreation Commission.

From the director



Scott Cruickshank
EXECUTIVE DIRECTOR

It has been a uniquely historic year of achievement for the Oregon Convention Center. Not only has our longstanding goal to advance the development of a convention center hotel cleared every hurdle put before it, but we've succeeded in our mission to always be one of the greenest event venues in the nation.

The Convention Center is now a LEED® Platinum green building. Earning LEED® Platinum, the highest level attainable within the USGBC certification program, is especially rare for a building of our size, but also for a building that was built in the pre-LEED® era. In just a few years, the OCC has transformed itself into one of only two convention centers in the U.S. that can claim this distinction. The OCC also became the first convention center to attain Level Four of the ASTM Venue certification, the industry's new global standard for venues that provide event planners and suppliers with the most stringent, measurable specifications for producing sustainable events.

The social and economic benefits that these achievements provide the region cannot be overstated. National groups have long recognized the OCC as being among the most progressive venues for green events – now one of the fastest growing markets in the convention industry. While we often exceed the expectations of these groups in providing green features and services, we also need to accommodate the growing number and size of these groups in order to stay competitive in the industry as a whole.

To help meet this demand, Metro and the OCC are actively negotiating with Mortenson Development and the Hyatt Corporation to build a 600-room hotel adjacent to the convention center. The hotel will attract more national conventions and lifestyle events, bring visitors to the area, and create and sustain jobs – all of which will generate new and increased spending and revenues, for the center and the community. It will also have a transformative effect on our Lloyd District/Rose Quarter neighborhood, which is already seeing a boon of new commercial and residential construction projects.

In FY 2013-14, the Convention Center hosted nearly 550,000 visitors leading to \$516.6 million in local, regional and statewide spending. This spending supported approximately 5,000 jobs and produced about \$22.5 million in new tax dollars for important regional and state services. Additionally, roughly \$11.4 million in transient lodging and motor vehicle rental tax revenues supported convention center operations. These numbers, which are thoroughly detailed in this report, provide clear evidence of the Convention Center's continuing success and its role as a vital economic engine in the region, one that will only grow when the convention center hotel finally opens its doors.

The Oregon Convention Center staff is ready and able to meet the challenges these dynamic and exciting changes will bring and I am extremely proud of our staff. They have always maintained and operated the Convention Center at a world-class level without compromising their strongly held commitments to service excellence and community involvement. This report will further inform you of their commendable contributions, their genuinely innovative efforts, and their determined spirit.



One barometer of Portland's popularity is the number of important hospitality industry gatherings being held in the city annually.

This year, the Convention Center hosted two highly influential meeting planner conventions:

The Society of Government Meeting

Professionals' annual National Education

Conference in May and Collaborate

Marketplace in June. More than 600 and

1,400 attendees, respectively, visited

Portland for these events.

It's no surprise, then, that travel surveys have indicated 26 percent of the travelers visiting the Western United States are "extremely or very likely" to visit Portland in the next 24 months.

Numbers never lie. When it comes to Portland, the numbers tell a tale of a city that has become a center of tourism activity, with the Oregon Convention Center an essential player in that ever-developing narrative.

Take hotel occupancy, for example. Portland has become competitive with Seattle, San Francisco and other major – and bigger – West Coast destinations. Data shows local hotel revenue for the year was \$18,661,638.24, exceeding budget forecasts by 8.6 percent. Hotels in Portland's city center achieved an 81.5 percent annual occupancy rate for fiscal year 2013-2014, a 10.9 percent increase in average daily rate over the previous year.*

What's impressive about these figures is that Portland has maintained this competitive edge without a sales tax to expedite revenue for local services and programs. The average rate for a hotel room in Portland's downtown core was a very competitive \$160.62.

Those impressive numbers were in part a result of the partnership between the Convention Center and Travel Portland, the city's tourism and convention bureau. A \$3.9 million advertising campaign funded by the Tourism Improvement District occasioned 523,943 incremental trips to Portland that would otherwise not have taken place. In turn, those trips produced \$64.7 million in visitor spending around the Portland area.

The campaign, called "Portland is Happening Now," enjoyed tremendous market awareness. People who saw or heard about the ads remembered them long after they were released. Hotel room bookings during the winter months when the campaign launched bumped up 7.2 percent, double the forecast for that period.

**Source: Travel Portland*

TOTAL ECONOMIC BENEFITS to the Tri-County Region from OCC Operations

Tri-County Region amounts represent the sum of the three counties. There may be slight differences due to rounding. Earnings represent the salaries/wages earned by employees of businesses associated with or impacted by the facility.

TRI-COUNTY REGION

Direct Spending	\$294,706,000
Indirect/Induced Spending	221,884,000
Total Spending	\$516,590,000
Total Jobs	5,000
Total Earnings	\$197,507,000

Clackamas County

Direct Spending	\$29,644,000
Indirect/Induced Spending	22,536,000
Total Spending	\$52,180,000
Total Jobs	510
Total Earnings	\$20,334,000

Multnomah County

Direct Spending	\$223,291,000
Indirect/Induced Spending	167,803,000
Total Spending	\$391,094,000
Total Jobs	3,770
Total Earnings	\$148,983,000

Washington County

Direct Spending	\$41,773,000
Indirect/Induced Spending	31,541,000
Total Spending	\$73,314,000
Total Jobs	710
Total Earnings	\$28,190,000

Metro contracts with Crossroads Consulting Services to conduct the annual economic and fiscal impact analysis of its visitor venues. Expenditures generated from facility operations from items such as personal services, food and beverage sales, goods and services, marketing, administration and capital outlay are included as the initial measure of economic impact in the marketplace. So, too, is spending by attendees, sponsoring organizations, event producers and exhibitors outside the facility on items such as lodging, restaurants, retail, entertainment and transportation. A calculated multiplier is applied to the amount attributed to direct spending in order to generate indirect and induced effects. The sum of direct, indirect and induced effects equals the total economic impact, expressed in terms of spending, employment and jobs.

\$22.5 million

IN STATE AND LOCAL TAXES

\$1.97 MILLION

IN PERSONAL EARNINGS

5,000

NUMBER OF JOBS SUPPORTED IN TRI-COUNTY AREA

VISITORS TO THE CONVENTION CENTER

549,762

\$516.6 million

TOTAL SPENDING IN TRI-COUNTY AREA

Sustainability

The Northwest has long held an international reputation as a hub for sustainability innovation. Portland,

in particular, is rich with firms that have elevated sustainability standards and practices over the years.



In 2004, the Oregon Convention Center

became the first ever to achieve LEED®

Certified designation for existing buildings.

The USGBC subsequently, in 2008, recertified

the venue as LEED® Silver. Six years later, the

Convention Center further increased efforts for

water and energy efficiency, including apply-

ing plumbing retrofits, introducing lighting

projects and HVAC upgrades. Continued

sustainability measures undertaken by

staff and led by Sustainability Coordinator

Erin Rowland contributed to LEED®

Platinum certification in 2014.

The Convention Center has championed sustainability innovation since opening in 1990 – a time when composting, recycling and energy efficiency were not yet part of our everyday vocabulary or practice.

From the beginning, the Convention Center has prioritized efforts regarding water, energy efficiency and waste diversion. Little surprise the Convention Center has received a slew of awards throughout the past two decades for these efforts.

Those collective efforts culminated this year with the pinnacle of certifications – LEED® Platinum Certification. The Convention Center is now one of only two convention centers in the United States to hold that distinction.

Other sustainability honors included reaching Level 4 APEX/ASTM certification, which is the first body of standards created uniquely for green meetings and events and verified by the Green Meeting Industry Council. Salmon-Safe, which advocates for the protection of agricultural and urban watersheds by land-based companies, re-certified the Convention Center and highlighted the pesticide-free campus, large water-filtering rain garden, and the construction of an environmentally innovative events plaza three years ago.

One award that may have best captured the Convention Center's relationship to Portland was the prestigious Green Award given during Travel Portland's 35th Annual Tourism & Hospitality Industry Awards Celebration. Decided by business partners and other industry peers that help boost local tourism, the award ostensibly recognized the Convention Center's efforts for the year but really amounted to a celebration of a lifetime of sustainability achievements.

"I am very proud of our staff," said Scott Cruickshank, Executive Director of the Oregon Convention Center. "That award is about our commitment towards green efforts over many, many years."

This continuous stream of accolades touches on a major strand in the Convention Center's DNA: The staff always strives for new levels of excellence when it comes to sustainability. In that way, it is pushing the front edge of conversation in sustainability practices for event venues – just like Portland is doing for major urban cities.

This year, the Convention Center achieved a waste diversion rate of 69 percent. Next year, staff will aim to improve on that impressive figure, of course. Some of the seeds for future improvement are already in place.

With help from the Energy Trust of Oregon, the Convention Center pursued crucial sustainability initiatives whose impact will be long-lasting.

One was a strategic energy management plan that gives the Convention Center an even more comprehensive energy management approach.

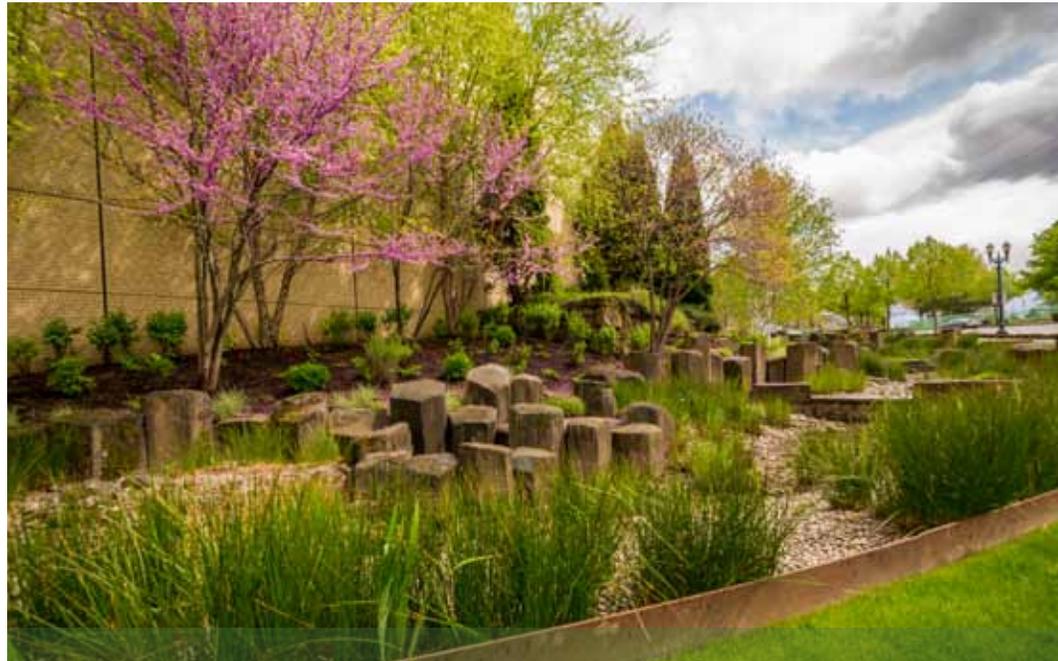
“We knew our approach to energy efficiency was not as comprehensive as it could be,” says Rowland. “We were tracking energy use, but weren’t analyzing and learning from the data. A strategic energy management plan enables us to wrap our capital projects together with no- and low-cost improvements for an effective long-term strategy.”

What were the results of this new approach? Energy efficiency has moved further to the forefront of staff discussion. Energy scavenger hunts are now being held; lights and electronics are being turned off. So far, the Convention Center has saved another \$112,955 in annual energy costs, reduced 429,779 annual kilowatt hours and earned \$20,739 in Energy Trust incentives.



Many clients choose to staff recycling stations during events, contributing to the Convention Center’s high waste diversion rate.

Below, the landmark rain garden has made a significant impact on the center’s success in treating waste water and run-off efficiently.



Talking about all of these sustainability accomplishments seems fitting in regards to a new installation in the halls of the Convention Center. Led by Rowland and fellow Sustainability Coordinator Lindsey Newkirk, the Convention Center staff conceived and produced five beautiful wall panels along “Ginkoberry Lane,” situated on the first floor. Besides being gorgeous design elements, the panels recount the history of the Convention Center’s efforts around energy reduction, waste reduction, LEED® building standards, storm-water and integrated pest management, as well as community engagement.

Event highlights

Sustainability initiatives, community and tourism partnerships – these are crucial engagements when operating an international events venue like the Oregon Convention Center. But to the general public, the events that visit the Convention Center are what matter the most.

For the Convention Center, the events of 2013-14 touched every kind of Portland nerve: quirky, culinary, artistic, outdoorsy, athletic, serious, entertaining, fun, philanthropic, traditional, and all with an eye for the future. Organizations included businesses, nonprofits, artistic groups and much more.

The sheer range of these events reflect the Convention Center's broad appeal as a hosting venue but also its ability to capture the Portland zeitgeist, which embraces the alternative, mainstream and traditional all at once. This exemplifies the variety of businesses and clients seeking out Portland right now, and how the Convention Center has enabled and supported that growth.

WORLD CLASS SPORTS

One event was celebrated without actually happening – yet. The IAAF World Indoor Track & Field Championships will arrive in Portland for the first time in 2016. The Convention Center has hosted major sports themed events before – the 2014 Junior Olympics Fencing Championships, for instance. But this event represents a new threshold given the extraordinary international appeal of track and field. The world's greatest track and field athletes and their fans from all over the world showcasing their talents and enthusiasm in Portland is not merely a leap of faith but a confirmation: Portland is a world-class city and the Oregon Convention Center can host complex, large-scale events that require sophistication and detail.



2014 Junior Olympics Fencing Championships



2014 Portland International Auto Show



Wizard World – Portland Comic Con 2014

SOME HIGHLIGHTS OF THE YEAR:

■ **Teachers of English to Speakers of Other Languages International Convention and English Language Expo**, which attracted 7,000 guests from more than 100 countries. Of even more special note: A record setting 3,200 attendees all connected to the Convention Center's WiFi system at the same time;

■ **Wizard World – Portland Comic Con 2014**, which attracted 26,000 visitors in its second year at the Convention Center. From Darth Vader to Princess Bride, the costumes were amazing;

■ **Columbia Empire Volleyball Association Tournament**, which attracted 18,000 attendees, a Convention Center record in retail food sales and more than 47 active courts on the exhibit hall floor;

■ **Plaza Palooza**, the outdoor concert series held in the late summer on the Convention Center's plaza, hosted 8 concert dates including local blues legend Curtis Salgado. More than 3,000 people attended these concerts;

■ **LEGO® KidsFest**, which sold 23,088 tickets and attracted a concentration of visitors from Seattle and Canada; and

■ **Portland State University's Simon Benson Annual Awards Dinner**, which celebrated local philanthropic efforts and attracted 1,642 attendees. The star of the evening was keynote speaker and CNN anchor Anderson Cooper.

Community

The Oregon
Convention Center

is not just a business; it's a member of the local community. This means it always tries to be a good and caring role model – a steward of the community.

This role benefits clients, who come from all over the world to do business in Oregon. The Center's presence in the community this year helped a wide range of organizations, including numerous social services agencies aimed at fighting hunger, poverty, and generating better sustainable social practices.

Recipient organizations included the Oregon Food Bank, Blanchet House, SCRAP, Schoolhouse Supplies and the Recycling Center, among others. A few events stand out and deserve recognition.

At the center's semi-annual staff meeting, team members collected donations for the Portland Police Bureau Sunshine Division, which has been providing food and clothing relief to Portland families and individuals in need since 1923. Officer Phil Kent of the Portland Police Bureau spoke on behalf of the Sunshine Division and characterized the Convention Center's collection efforts as "very impressive."

The Convention Center also hosted a two-day free dental clinic presented by the Oregon Dental Association called "Mission of Mercy." The Convention Center staff provided security and operational infrastructure for the event so that 1,775 patients in need could receive donated dental care.

Like the Portland Expo Center and Portland's Centers for the Arts, the Convention Center continues to participate in the First Opportunity Target Area (FOTA) program. Established in 1989, economically disadvantaged residents living near the Convention Center are given the first opportunity to apply for jobs at these facilities.



ESTIMATED FISCAL
BENEFITS FROM OCC
OPERATIONS
FY 2014

Multnomah County collects the Transient Lodging Tax, a portion of which is distributed to the City of Portland's general fund and to Travel Portland.

MUNICIPALITY TAX	AMOUNT
State of Oregon	
Personal Income Tax	\$5,629,000
Transient Lodging Tax	1,069,000
Corporate Excise & Income Tax	506,000
Subtotal	<u>\$7,204,000</u>
Metro	
Excise Tax	\$1,394,000
Subtotal	<u>\$1,394,000</u>
Clackamas County	
Transient Room Tax	\$674,000
Subtotal	<u>\$674,000</u>
Multnomah County	
Transient Lodging Tax	\$9,851,000
Motor Vehicle Rental Tax	1,105,000
Business Income Tax	84,000
Subtotal	<u>\$11,040,000</u>
Washington County	
Lodging Tax	\$1,242,000
Subtotal	<u>\$1,242,000</u>
Grand Total	<u>\$21,554,000</u>

Like the city it is located in, the Convention Center is never satisfied in its pursuit of excellence.

This year, it completed the first phase of a roof replacement plan and started the next step of that same renovation effort. The Dragon Café was fully remade into a new and more inviting venue – the Dragonboat Grill.

Not every upgrade and investment was devoted to facilities. The Convention Center is also pursuing a major website renovation that will provide clear, searchable and sharable content. Because this is Portland, the site will be simultaneously professional, fun and beautiful. It will also be useable on all devices – smart phone, tablet, desktop, etc. – and accessible for people of different levels of proficiency, including ESL speakers, people with disabilities and more.

Several individual teammates were singled out by peer organizations for their performance this year. Travel Portland's Hospitality Award for 2014 was presented to Convention Center staffer Marie Francois, who hosted homesick Haitian attendees during the Teachers of English to Speakers of Other Languages International Convention and English Language Expo. Marie made homemade Haitian food for them and also took them to a Haitian church. Executive Chef Allan Wambaa, the Convention Center executive chef through pacificwild, the local catering division of Aramark and the exclusive premium food and beverage brand for the Convention Center, received one of the highest honors a culinary professional can achieve – ProChef III certification from the Culinary Institute of America. Only 100 chefs have been certified for ProChef III standards nationally. Separately, Ed Strong, a 20-year veteran of Aramark, was promoted to general manager within the organization.



SUMMARY OF KEY
COMPARATIVE DATA

CATEGORY	FY 2011	FY 2012	FY 2013	FY 2014
Utilization				
Events	469	392	377	343
Total Use Days	1,134	948	1,008	957
Total Attendance	570,400	554,500	530,300	549,800
Total Attendee Days	866,100	876,200	897,900	907,200
Financial Operations				
Operating Revenues	\$19,007,000	\$18,054,000	\$21,301,000	\$20,587,000
Operating Expenses	29,039,000	27,961,000	30,146,000	32,147,000
Net Operating Results	(\$10,032,000)	(\$9,907,000)	(\$8,845,000)	(\$11,560,000)
Economic/Fiscal Impacts				
Direct Spending	\$261,451,000	\$256,097,000	\$283,922,000	\$294,706,000
Indirect/Induced Spending	188,128,000	177,964,000	197,595,000	221,884,000
Total Spending	\$449,579,000	\$434,061,000	\$481,517,000	\$516,590,000
Total Jobs	4,260	4,350	4,830	5,000
Total Earnings	\$167,618,000	\$161,025,000	\$178,149,000	\$197,507,000
Total Tax Revenues	\$15,489,000	\$18,059,000	\$20,410,000	\$21,554,000

\$ 112,955

SAVED UTILITY COSTS AS A RESULT
OF SUSTAINABILITY PROJECTS

1,775

DENTAL PATIENTS SERVED
BY THE MISSION OF MERCY

81.5%

HOTEL OCCUPANCY RATE
IN CENTRAL CITY

343

EVENTS AT THE CONVENTION CENTER

10.9%

INCREASE IN HOTEL OCCUPANCY RATE
OVER PREVIOUS YEAR

69%

RATE OF WASTE
DIVERSION



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