

Testimony of Randy Tucker, Legislative Affairs Manager

In Support of House Bill 3431-A

Senate Committee on Rules

June 5, 2019



Metro

Metro is the regional government of the Portland metropolitan area. One of our major areas of responsibility is the ownership and operation of visitor venues for the cultural and economic benefit of our residents. We own and operate the Oregon Convention Center, the Oregon Zoo, and the Portland Expo Center. We also operate the Portland's Centers for the Arts on behalf of the City of Portland.

These venues, which host 3.7 million visitors annually, represent hundreds of millions of dollars in public investment, support over 7,000 jobs, and are responsible for more than \$750 million in regional economic impact each year.

Legislation passed in 2017 (HB 3253) has put the viability of these venues as community assets and economic drivers at risk. It's not an overstatement to say that the statute represents an existential threat to these venues. **We urge you to pass HB 3431-A to ensure that these facilities can continue to provide economic and cultural benefits to residents of our region and state.**

The 2017 statute gave blind vendors "priority" (i.e., a right of first refusal) to operate all "vending facilities" in or on any public buildings or property, except for "cafeterias," where they maintain a "preference." As we have recently learned, the term "vending facilities" is interpreted extremely broadly, to cover any food sold in any public building. Moreover – and this is critical to understand – blind vendors are not required to pay any rent or utility costs or share any revenues from those vending operations with the public owner of the building or property.

We believe the Legislature understood the 2017 bill to apply to government buildings where people meet with their elected representatives, like this Capitol building or a city hall or a county courthouse or the Metro Regional Center, and to buildings where people receive public services, like the DMV or a county health department or the state office building in Portland a couple of blocks from Metro.

Unlike these buildings, which are fully taxpayer funded, Metro's visitor venues rely on their revenues to support their operations. At the Oregon Convention Center, for instance, food and beverage sales represent more than half of overall revenues. The \$27.2 million in total annual food and beverage revenue from the venues enables us to keep entrance fees, space rental prices and ticket service charges low for patrons and clients, and also supports maintenance and renovation of the facilities themselves.

Here is a breakdown of revenues from Metro's visitor venues:

	Annual Attendees	FY 2018 Operating Revenue	Food & Beverage Revenue	Percentage of Operating Revenue
<i>Zoo</i>	1,700,000	\$ 28,760,000	\$ 7,800,000	27%
<i>OCC</i>	600,000	\$ 26,500,000	\$ 13,500,000	51%
<i>Portland's</i>	900,000	\$ 17,400,000	\$ 3,500,000	20%
<i>Expo</i>	500,000	\$ 7,000,000	\$ 2,400,000	34%
Grand Total:	3,700,000	\$ 79,660,000	\$ 27,200,000	34%

Metro selects its food and beverage contractor through a competitive procurement process, and heavily negotiates a payment structure that best serves the public interest. However, the current statute offering a right of first refusal to blind vendors precludes Metro from engaging in a competitive solicitation process for a food and beverage operator, and (as noted above) prohibits the venues from taking commissions, fees, and revenue earned from sales. If the Metro visitor venues are unable to capitalize on these critical food and beverage revenue streams, these venues will no longer be financially viable.

We are unaware of any evidence that the Legislature was thinking of these buildings when it passed HB 3253. We first learned about the application of HB 3253 to our visitor venues when we issued a request for proposals for the food and beverage contract for our four venues, and the Oregon Commission for the Blind protested the RFP earlier this year. Only then did we and several other local governments become aware of the breadth of applicability of HB 3253.

Since that time, we have had several productive conversations with the Commission for the Blind and with Randy Hauth, chair of the blind vendors group, the Business Enterprise Consumer Committee (BECC). As a result of these conversations, we prepared amendments that were adopted by the House Rules Committee to narrow the applicability of HB 3431, and we sent a Statement of Intent to Mr. Hauth memorializing our commitment, if it passes, to collaborate on ways to provide additional business opportunities for blind vendors in our visitor venues.

The A-Engrossed bill that is before you today creates a definition of local and regional “visitor venues” – publicly owned facilities that rely on enterprise revenues to support their operations. Most of the food service and catering operations at these facilities are exempted from the requirement to give priority or preference to blind vendors. The bill retains the priority for blind vendors with respect to vending machines in visitor venues, and it does not exempt facilities that are occupied by state agencies.

Many other states exempt publicly owned facilities similar to those covered in HB 3431, as well as others like libraries, hospitals and fairgrounds. See <https://www.cga.ct.gov/2006/rpt/2006-R-0310.htm>. The exemptions in HB 3431-A are similar to those provided by many other states.

Thank you for your consideration of these comments. We urge you to support HB 3431-A.