

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING)
THE EXECUTIVE OFFICER TO SUBMIT AN)
APPLICATION TO THE STATE OF)
OREGON ECONOMIC DEVELOPMENT)
DEPARTMENT, FOR LOW COST)
FINANCING FOR A PORTION OF THE)
RECONSTRUCTION OF EXPO CENTER)
EXHIBIT HALL D)

RESOLUTION NO. 99-2833

Introduced by Executive Officer
Mike Burton and Councilor Jon
Kvistad

WHEREAS, It is prudent to construct a new Hall D at the Portland Metropolitan Exposition Center (Expo) to replace a substandard building, and

WHEREAS, The new building will provide additional needed flat exposition space with climate controls, and

WHEREAS, The new Hall D will be able to accommodate consumer shows currently using the Oregon Convention Center (OCC), thereby freeing space at OCC for more conventions, and

WHEREAS, The new Hall D will aid in the future expansion of the OCC by providing alternative space and additional parking while the OCC is under construction, and

WHEREAS, The new Hall D will provide additional climate-controlled space that allows growth in Expo business, and

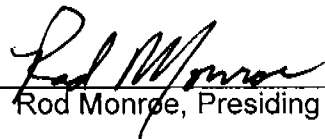
WHEREAS, Resolution 98-2734 directed the Executive Officer to prepare a plan to finance the construction of Hall D, and

WHEREAS, the State of Oregon will make low cost financing available to qualifying projects upon application through the State Economic Development Department; and

WHEREAS, the Metro Council wishes to proceed with this financing in a timely and expeditious manner so that construction on the new Hall D can begin as soon as possible.

NOW, THEREFORE, the Metro Council endorses the recommendations of the Executive Officer as presented in the attached staff report to this resolution, and authorizes him to proceed with the application process with the Oregon Economic Development Department (OEDD) to finance certain portions of the construction of Exhibit Hall D.

ADOPTED by the Metro Council this 16th day of September, 1999


Rod Monroe, Presiding Officer

Approved as to Form:


Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 99-2833 AUTHORIZING THE EXECUTIVE OFFICER TO SUBMIT AN APPLICATION TO THE STATE OF OREGON ECONOMIC DEVELOPMENT DEPARTMENT FOR LOW COST FINANCING FOR A PORTION OF THE RECONSTRUCTION OF EXPO CENTER EXHIBIT HALL D

Date: August 20, 1999

Presented by: Jennifer Sims, Chief Financial Officer/
Director of Administrative Services

FACTUAL BACKGROUND AND ANALYSIS

Resolution 98-2734 directed the Executive Officer to prepare a plan to finance the reconstruction of Exhibit Hall D at the Expo Center. Since that time, MERC and Metro staff have examined alternative funding mechanisms that could meet the desired time frame to begin construction. The initial plan was to pursue the funding of the infrastructure, which is approximately \$2.2 million, through the Oregon Economic Development Department (OEDD) and the balance of the project budget of \$13.6 million through the issuance of revenue bonds.

When discussions were initiated with OEDD, the department informed us that they have just implemented a new program that provides funding for community facilities. The Expo Center project appears to qualify under the new program with up to \$3.0 million being available for construction. The department recently indicated that their preliminary evaluation of the project is favorable and has officially invited Metro to proceed with the application process. Early estimates indicate that up to \$3.0 million would be available under the new program. In addition, the \$5.2 million through OEDD could be available as early as October 1999.

There are two significant advantages to MERC and Metro proceeding to the application stage of the OEDD loan process. If the loan is approved, savings would result because OEDD would pay for all bond issuance and handling costs through the State of Oregon bonding process. In addition, this would defer financing of the full project until initial budget proposals for Metro's General Fund can be developed for FY 2001. With the OEDD loan, the additional funds for construction would not be needed until July 2000. The current plan would then dictate that Metro would begin the process of issuing revenue bonds for the balance needed for construction in the spring of 2000.

FISCAL IMPACT

This capital improvement project is included in both the adopted Capital Improvement Plan and FY 2000 budget. By pursuing this type of loan, both Metro and MERC can realize substantial project cost savings through reduced loan issuance costs.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 99-2833

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