

Metro | Agenda

Meeting: Metro Council
Date: Thursday, Jan. 26, 2012
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. **INTRODUCTIONS**
2. **CITIZEN COMMUNICATIONS**
3. **CONSIDERATION OF THE MINUTES FOR JAN. 19, 2012**
4. **ORDINANCES – SECOND READING**
 - 4.1 **Ordinance No. 12-1269**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule for Increased Operations, Marketing, and Communications for a new Cirque du Soleil Event to be Held at the Expo Center. **Burkholder**

Public Hearing
 - 4.2 **Ordinance No. 12-1270**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and the FY 2011-12 Through 2015-16 Capital Improvement Plan. **Harrington**

Public Hearing
 - 4.3 **Ordinance No. 12-1271**, For the Purpose of Amending the F 2011-12 Budget and Appropriations Schedule Increasing a Net 0.5 FTE in the Research Center. **Hughes**

Public Hearing
5. **RESOLUTIONS**
 - 5.1 **Resolution No. 12-4322**, For the Purpose of Providing Direction to Metro Concerning Bills Before the 2012 Oregon Legislature. **Hosticka**
 - 5.2 **Resolution No. 12-4324**, For the Purpose of Accepting the Phase 1 Findings and Strategy Toolbox for the Portland Metropolitan Region to Acknowledge the Work Completed to Date and Initiate Phase 2 of the Climate Smart Communities Scenarios Project. **Collette**
 - 5.3 **Resolution No. 12-4327**, For the Purpose of Designating the Oregon Convention Center Enhanced Marketing Initiative Project as a Council Project; Assigning a Lead Council and Council Liaison and Directing Staff to Complete Phase I Scope of Work. **Hughes**
6. **CHIEF OPERATING OFFICER COMMUNICATION**
7. **COUNCILOR COMMUNICATION**

ADJOURN

Television schedule for Jan. 26, 2012 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, Jan. 26</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, Jan. 29, 7:30 p.m. <i>Date:</i> Monday, Jan. 30, 9 a.m.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, Jan. 30, 2 p.m.</p>	<p>Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, Jan. 28, 11 p.m. <i>Date:</i> Sunday, Jan. 29, 11 p.m. <i>Date:</i> Tuesday, Jan. 31, 6 a.m. <i>Date:</i> Wednesday, Feb. 1, 4 p.m.</p>
<p>Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	<p>West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement Coordinator to be included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 503-797-1804 or 503-797-1540 (Council Office).

Agenda Item No. 3.0

Consideration of the Minutes for Jan. 19, 2012

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

Agenda Item No. 4.1

Ordinance No. 12-1269, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule for Increased Operations, Marketing, and Communications for a new Cirque du Soleil Event to be Held at the EXPO Center.

Ordinances – Second Reading

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND) ORDINANCE NO. 12-1269
APPROPRIATIONS SCHEDULE FOR)
INCREASED OPERATIONS, MARKETING AND) Introduced by Martha Bennett, Chief
COMMUNICATIONS FOR A NEW CIRQUE DU) Operating Officer, with the concurrence of
SOLEIL EVENT TO BE HELD AT THE EXPO) Council President Tom Hughes
CENTER)

WHEREAS, the Metro Council has received a recommendation from the MERC Commission to review and consider the need to increase appropriations within the FY 2011-12 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2011-12 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of providing for increased operations, marketing and communications related to the new Cirque du Soleil event to be held at the Expo Center.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 12-1269

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
	* Undesignated		3,871,587		0		3,871,587
	* Renewal & Replacement Reserve		12,543,636		0		12,543,636
	* Transient Lodging Tax Capital Reserve		430,310		0		430,310
	* New Capital / Business Strategy Reserve		5,100,848				5,100,848
	* Aramark Contract Capital Investment Reserve		652,366		0		652,366
	* PERS Reserve		1,991,822		0		1,991,822
GRANTS	Grants						
4120	Local Grant - Direct		46,675		0		46,675
LGSHRE	Local Gov't Share Revenues						
4130	Hotel/Motel Tax		11,155,335		0		11,155,335
GVCNTB	Contributions from Governments						
4145	Government Contributions		784,320		0		784,320
CHGSVC	Charges for Service						
4500	Admission Fees		1,880,177		0		1,880,177
4510	Rentals		7,333,144		135,539		7,468,683
4550	Food Service Revenue		11,912,662		177,886		12,090,548
4560	Retail Sales		7,000		0		7,000
4570	Merchandising		15,000		0		15,000
4575	Advertising		15,000		0		15,000
4580	Utility Services		1,578,500		0		1,578,500
4590	Commissions		1,123,500		0		1,123,500
4620	Parking Fees		2,874,555		232,816		3,107,371
4645	Reimbursed Services		2,645,172		0		2,645,172
4647	Reimbursed Services - Contract		527,989		0		527,989
4650	Miscellaneous Charges for Svc		370,050		0		370,050
INTRST	Interest Earnings						
4700	Interest on Investments		122,806		0		122,806
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		450,000		0		450,000
4760	Sponsorship Revenue		160,000		0		160,000
MISCRV	Miscellaneous Revenue						
4170	Fine & Forfeitures		1,500		0		1,500
4805	Financing Transaction		93,664		0		93,664
4890	Miscellaneous Revenue		35,926		0		35,926
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from General Fund		480,000		0		480,000
	* from Risk Management Fund		114,822		0		114,822
TOTAL RESOURCES			\$68,318,366		\$546,241		\$68,864,607
Total Personal Services		185.85	\$17,791,493	-	\$0	185.85	\$17,791,493
<u>Materials & Services</u>							
GOODS	Goods						
5201	Office Supplies		198,065		0		198,065
5205	Operating Supplies		307,112		0		307,112
5210	Subscriptions and Dues		55,295		0		55,295
5214	Fuels and Lubricants		16,600		0		16,600
5215	Maintenance & Repairs Supplies		524,140		0		524,140
5225	Retail		11,000		0		11,000

Exhibit A
Ordinance No. 12-1269

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
<i>SVCS</i>	<i>Services</i>						
5240	Contracted Professional Svcs		660,309		145,000		805,309
5245	Marketing Expense		2,642,520		0		2,642,520
5246	Sponsorship Expenditures		41,000		0		41,000
5247	Visitor Development Marketing		425,397		0		425,397
5251	Utility Services		2,636,796		0		2,636,796
5255	Cleaning Services		34,200		0		34,200
5260	Maintenance & Repair Services		1,199,660		0		1,199,660
5265	Rentals		524,700		210,425		735,125
5270	Insurance		23,700		0		23,700
5280	Other Purchased Services		387,575		0		387,575
5281	Other Purchased Services - Reimb		448,571		0		448,571
5291	Food and Beverage Services		9,501,203		126,415		9,627,618
5292	Parking Services		272,931		0		272,931
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		261,846		0		261,846
5310	Taxes (Non-Payroll)		17,000		0		17,000
<i>OTHEXP</i>	<i>Other Expenditures</i>						
5450	Travel		175,696		0		175,696
5455	Staff Development		116,514		0		116,514
5490	Miscellaneous Expenditures		3,500		0		3,500
Total Materials & Services			\$20,485,330		\$481,840		\$20,967,170
<u>Capital Outlay</u>							
<i>CAPNON</i>	<i>Capital Outlay (Non-CIP Projects)</i>						
5710	Improve-Oth thn Bldg		50,000		0		50,000
5720	Buildings & Related		685,000		50,000		735,000
5740	Equipment & Vehicles		140,000		0		140,000
5750	Office Furniture & Equip		102,000		0		102,000
<i>CAPCIP</i>	<i>Capital Outlay (CIP Projects)</i>						
5710	Improve-Oth thn Bldg		605,000		0		605,000
5720	Buildings & Related		901,000		0		901,000
5740	Equipment & Vehicles		583,366		0		583,366
Total Capital Outlay			\$3,066,366		\$50,000		\$3,116,366
Total Interfund Transfers			\$6,142,766		-		\$6,142,766
<u>Contingency and Ending Balance</u>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* General Contingency		2,299,335		0		2,299,335
	* New Capital/Business Strategy Reserve		5,334,381		(531,840)		4,802,541
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		620,500		0		620,500
	* New Capital/Business Strategy Reserve		0		546,241		546,241
	* Renewal & Replacement		12,578,195		0		12,578,195
Total Contingency and Ending Balance			\$20,832,411		\$14,401		\$20,846,812
TOTAL REQUIREMENTS		185.85	\$68,318,366	-	\$546,241	185.85	\$68,864,607

Exhibit B
Ordinance 12-1269
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
MERC FUND			
MERC	41,343,189	531,840	41,875,029
Non-Departmental			
Debt Service	0	0	0
Interfund Transfers	6,142,766	0	6,142,766
Contingency	7,633,716	(531,840)	7,101,876
Unappropriated Balance	13,198,695	546,241	13,744,936
Total Fund Requirements	\$68,318,366	\$546,241	\$68,864,607

All other appropriations remain as previously adopted

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE FOR THE MERC FUND

Date: January 5, 2012 Prep

Prepared by: Cynthia Hill, 503-731-7829

BACKGROUND

In August 2011, Expo Center staff entered into negotiations with Cirque du Soleil for the presentation of a new Cirque event being brought to the Portland area. The event represents a lengthy stay exceeding three months, over fifty performances and a projected attendance base of 100,000 varied attendees that are likely new visitors to the Portland Expo Center. By October of the same year, the event had been awarded to the Portland Expo Center. Immediate preparations began agency-wide to support the event and organize for Cirque's arrival.

Initial estimates support a revenue potential of \$546,241 through rent, concessions buyouts, alcohol sales and parking. To support this new revenue opportunity, MERC is requesting a one-time transfer of \$336,840 from the Strategic Business Reserve in contingency to support the arrival and execution of this event in the following way:

- Shuttle expenses for existing events within the Cirque timeline, and during the event itself - \$78,050.
- Rental of a satellite parking lot or lots (\$37,500), and hiring of professional labor – Portland police, peer security, parking cashiers (\$57,875) related to the successful execution of a comprehensive shuttle and satellite parking operation – \$95,375.
- Specific improvements for the temporary use of the “gravel lot” located on the South end of the campus (which adds an estimated 270 new parking spaces). Including rental fencing, signage, lighting and related improvements – \$12,000.
- Targeted and specific buyouts required with Tri-Met on behalf of existing Expo clients who will be seriously inconvenienced – \$25,000.
- Support for increased and otherwise unanticipated food and beverage expenses - \$126,415.

In addition, as reported at the August 2011 MERC Commission meeting, Gard Communications presented the completed Marketing and Communications plan for the Expo Center. At the time of the report, the corresponding Website Redesign with Oak Tree Digital was nearing its final phase. The Marketing and Communications plan included a proposed budget and timeline for implementation, all of which are under review by the Expo staff.

As the Cirque event opportunity became a reality in the following months, it became clear that this type of one-time marketing opportunity exemplifies the goals and outcomes expressed in the plan. To support this unique opportunity as well as ramp-up our efforts to transition to our new branding, MERC is requesting a one-time transfer of \$195,000 from the Strategic Business Reserve to support these specific marketing and communications initiatives in the following way:

- Improved Expo re-branded signage (\$15,000), and main parking entry beautification (\$2,000) throughout the facility campus - \$17,000.

- Transit advertising (\$60,500) to advantage increased TriMet ridership targeted local print advertising – (Oregonian, Willamette Week -\$60,500) and direct mail (\$15,500) efforts - \$136,500.
- Colorful banner installations in the Expo parking lot via Elmer’s flag and banner to enhance branding impact once patrons are on site – \$6,500.
- Installation of permanent, rebranded signage on the current Expo tower which can be seen from the Interstate - \$35,000.

MERC COMMISSION RECOMMENDATION

On January 4, 2012, at its regularly scheduled meeting the MERC Commission reviewed and approved this proposal, directing staff to forward the Commission’s recommendation to the Metro Council for consideration and favorable action.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
3. **Anticipated Effects:** This action provides appropriation authority necessary to support operations, marketing and communications at the Expo Center related to the Cirque du Soleil event.
4. **Budget Impacts:** This action is estimated to generate approximately \$546,000 in additional unanticipated revenue to the Expo Center. It will require approximately \$532,000 in additional appropriation authority to provide for increased rentals, food and beverage services, and marketing/communication services. It is expected to general a net \$14,000 positive balance for the Business Strategy Reserve. If successful, the Cirque event has the potential of returning for multiple years with a much higher return on investment following these initial investments.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Agenda Item No. 4.2

Ordinance No. 12-1270, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and the FY 2011-12 Through 2015-16 Capital Improvement Plan.

Ordinances – Second Reading

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND) ORDINANCE NO. 12-1270
APPROPRIATIONS SCHEDULE AND THE FY)
2011-12 THROUGH 2015-16 CAPITAL) Introduced by Martha Bennett, Chief
IMPROVEMENT PLAN) Operating Officer, with the concurrence of
) Council President Tom Hughes

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2011-12 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2011-12 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of providing for the purchase and implementation of a budget module system for the agency.
2. That the FY 2011-12 through FY 2015-16 Capital Improvement Plan is hereby amended accordingly.
3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 12-1270

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Asset Management Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
3500	* Prior year ending balance		6,689,948		0		6,689,948
GRANTS	Grants						
4110	State Grants-Direct		63,334		0		63,334
INTRST	Interest Earnings						
4700	Interest on Investments		33,298		0		33,298
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		841,180		0		841,180
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from Solid Waste Revneue Fund		53,163		120,000		173,163
	* from General Fund (Regional Parks)		323,000		0		323,000
	* from General Fund-IT R&R		255,000		0		255,000
	* from General Fund-MRC R&R		322,540		0		322,540
	* from General Fund-Gen'l R&R		647,978		0		647,978
	* from MERC		10,824		0		10,824
	* from General Revenue Bond Fund		216,821		0		216,821
	* from General Fund		207,915		0		207,915
TOTAL RESOURCES			\$9,735,001		\$120,000		\$9,855,001
Total Materials & Services			\$1,005,061		\$0		\$1,005,061
<u>Capital Outlay</u>							
CAPNON	Capital Outlay (non-CIP Projects)						
5710	Improve-Oth thn Bldg		74,095		0		74,095
CAPCIP	Capital Outlay (CIP Projects)						
5710	Improve-Oth thn Bldg		1,267,709		0		1,267,709
5720	Buildings & Related		257,956		0		257,956
5730	Exhibits and Related		825,000		0		825,000
5740	Equipment & Vehicles		1,128,879		0		1,128,879
5745	Licensed Vehicles		564,276		0		564,276
5750	Office Furniture & Equip		650,833		0		650,833
5760	Railroad Equip & Facil		49,610		0		49,610
5790	Intangible Assets		0		120,000		120,000
Total Capital Outlay			\$4,818,358		\$120,000		\$4,938,358
<u>Contingency & Unappropriated Balance</u>							
CONT	Contingency						
5999	Contingency						
	* Contingency		3,911,582		0		3,911,582
Total Contingency & Unappropriated Balance			\$3,911,582		\$0		\$3,911,582
TOTAL REQUIREMENTS		-	\$9,735,001	-	\$120,000	-	\$9,855,001

Exhibit A
Ordinance No. 12-1270

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Solid Waste Revenue Fund							
General Account							
<i>Capital Outlay</i>							
Finance & Regulatory Services							
CAPCIP	<i>Capital Outlay (CIP Projects)</i>						
5750	Office Furn & Equip (CIP)		575,000		0		575,000
Parks and Environmental Services							
CAPNON	<i>Capital Outlay (Non-CIP Projects)</i>						
5710	Improve-Oth thn Bldg (non-CIP)		40,000		0		40,000
CAPCIP	<i>Capital Outlay (CIP Projects)</i>						
5720	Buildings & Related		1,235,000		(120,000)		1,115,000
TOTAL REQUIREMENTS			\$1,850,000		(\$120,000)		\$1,730,000

General Expenses

Interfund Transfers							
INDTEX	<i>Interfund Reimbursements</i>						
5800	Transfer for Indirect Costs						
	* to General Fund-Bldg		231,822		0		231,822
	* to General Fund-Support Services		3,424,840		0		3,424,840
	* to General Fund		428,419		0		428,419
	* to Risk Mgmt Fund-Liability		122,539		0		122,539
	* to Risk Mgmt Fund-Worker Comp		155,616		0		155,616
INTCHG	<i>Internal Service Transfers</i>						
5820	Transfer for Direct Costs						
	* to General Fund-Planning		409,710		0		409,710
	* to General Fund-Regional Parks		3,647		0		3,647
	* to General Fund-General Gov't		410,582		0		410,582
	* to General Fund-Support Services		75,724		0		75,724
	* to General Fund-SUS Education/Climate Change		34,253		0		34,253
	* to General Fund-PES Finance		350,982		0		350,982
	* to General Fund-PES Administration		487,581		0		487,581
	* to General Fund-SUS Administration		276,307		0		276,307
	* to Risk Management Fund		62,686		0		62,686
EQTCHG	<i>Fund Equity Transfers</i>						
5810	Transfer of Resources						
	* to General Asset Mgmt Fund		53,163		120,000		173,163
	* to General Fund (General)		1,112,000		0		1,112,000
	* to Rehab. & Enhancement Fund		348,867		0		348,867
Total Interfund Transfers			\$7,988,738		\$120,000		\$8,108,738

Contingency and Ending Balance							
CONT	<i>Contingency</i>						
5999	Contingency						
	* Operating Account (Operating Contingency)		2,000,000		0		2,000,000
	* Landfill Closure Account		3,966,181		0		3,966,181
	* Renewal & Replacement Account		8,622,564		0		8,622,564
UNAPP	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* General Account (Working Capital)		5,759,668		0		5,759,668
	* General Account (EIL Reserve - GASB 49)		5,225,000		0		5,225,000
	* General Account (Rate Stabilization)		2,416,781		0		2,416,781
	* General Account (Capital Reserve)		5,440,000		0		5,440,000
Total Contingency and Ending Balance			\$33,430,194		\$0		\$33,430,194
TOTAL REQUIREMENTS		93.55	\$95,413,380	0.00	\$0	93.55	\$95,413,380

Exhibit B
Ordinance 12-1270
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL ASSET MANAGEMENT FUND			
Asset Management Program	5,823,419	120,000	5,943,419
Non-Departmental			
Interfund Transfers	0	0	0
Contingency	3,911,582	0	3,911,582
Unappropriated Balance	0	0	0
Total Fund Requirements	\$9,735,001	\$120,000	\$9,855,001
SOLID WASTE REVENUE FUND			
Operating Account			
Finance & Regulatory Services	2,113,476	0	2,113,476
Sustainability Center	8,102,025	0	8,102,025
Parks & Environmental Services	39,854,447	0	39,854,447
Subtotal	50,069,948	0	50,069,948
Landfill Closure Account			
Parks & Environmental Services	1,209,500	0	1,209,500
Subtotal	1,209,500	0	1,209,500
Renewal and Replacement Account			
Parks & Environmental Services	865,000	0	865,000
Subtotal	865,000	0	865,000
General Account			
Parks & Environmental Services	1,850,000	(120,000)	1,730,000
Subtotal	1,850,000	(120,000)	1,730,000
General Expenses			
Interfund Transfers	7,988,738	120,000	8,108,738
Contingency	14,588,745	0	14,588,745
Subtotal	22,577,483	120,000	22,697,483
Unappropriated Balance	18,841,449	0	18,841,449
Total Fund Requirements	\$95,413,380	\$0	\$95,413,380

All other appropriations remain as previously adopted

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE AND THE FY 2011-12 THROUGH 2015-16 CAPITAL IMPROVEMENT PLAN

Date: January 6, 2012 Prepared

by: Tim Collier 503-797-1913
Brian Kennedy 503-797-1908

BACKGROUND

In FY 2010-11, Metro began an evaluation of business systems in use across the agency to identify key areas for process improvements and automation. Metro's budget process and budget reporting were the most significant opportunities to come from that analysis. Staff determined that there were significant opportunities to improve business processes and provide additional management tools to staff across the agency through automation of the budget process.

The goals staff sought to achieve in improving the budget process were to eliminate duplicate data entry, provide more information to managers throughout the process, and improve ongoing budget and financial management reporting. Currently, budget information is maintained in several different ways across the agency. Staff uses a combination of spreadsheets, custom databases, and PeopleSoft, the Metro financial management system, to develop and track budgets. A custom budget system was developed for the Solid Waste Fund and is used to develop the system and provide more user-friendly budget documents for staff. This project will replace the custom system for the Solid Waste Fund as well as the many spreadsheets in use across the agency.

The acquisition of a budget module had been identified as a CIP project as early as FY 2006-07. The original project was estimated at \$150,000; \$50,000 of that funding was used to review the current ERP systems which further confirmed the need to implement a separate budget module for our system.

Staff developed a Request for Information that sought information about software solutions that would allow users to enter their budget information once, track the stages of the budget, provide the ability to model multiple scenarios with different assumptions, and provide user-friendly reporting tools. The Request for Information was issued in May 2011, and staff received 14 proposals from vendors. After an initial review, 5 vendors were selected to provide scripted demonstrations. Staff has conducted additional due diligence and is currently in contract negotiations with the preferred vendor. Staff estimates that the project will take approximately six months to complete. Staff intends to have the system live to provide budget reporting early in FY 2012-13 and to use the system for development of the FY 2013-14 budget.

The total cost of the system and implementation is \$240,000. The Solid Waste Fund share of the project is \$120,000 and will be funded from the capital account. Solid Waste will fund half the project because the new budget software will replace the current custom system that is in use. Eliminating the custom system will reduce software maintenance costs and provide the Solid Waste Fund with an improved software solution that will make budget development and monitoring more efficient.

The remaining \$120,000 is available currently in the General Asset Management Fund, the majority from undesignated capital accumulated from the balance of the original project and other underspending; a small amount, less than \$10,000, comes from renewal and replacement. At this point, staff believes there is not a need for additional appropriation authority in the General Asset Management Fund. Ongoing

maintenance fees will be approximately \$26,000 annually and will be incorporated into the cost allocation plan as a cost shared by all users of the system.

Due to the cost of the system and implementation, the project requires an amendment to the capital improvement plan. This action requests a change to the Metro FY 2011-12 through FY 2015-16 capital improvement plan to recognize this new project and a transfer of \$120,000 from the Solid Waste Fund to the General Asset Management Fund.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. ORS 294.450(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body. Metro's adopted financial policies require any project exceeding \$100,000 or an existing CIP project increasing greater than 20 percent to receive Council approval.
3. **Anticipated Effects:** This action provides for changes in operations as described above and amends the FY 2011-12 through FY 2015-16 Capital Improvement Plan.
4. **Budget Impacts:** This action has the following impact on the FY 2011-12 budget:
 - Transfers \$120,000 from the Solid Waste Fund to the General Asset Management Fund for capital spending.
 - Amends the FY 2011-12 through FY 2015-16 Capital Improvement Plan to add this project.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Agenda Item No. 4.3

Ordinance No. 12-1271, For the Purpose of Amending the F
2011-12 Budget and Appropriations Schedule Increasing a Net
0.5 FTE in the Research Center.

Ordinances – Second Reading

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND) ORDINANCE NO. 12-1271
APPROPRIATIONS SCHEDULE INCREASING A)
NET 0.50 FTE IN THE RESEARCH CENTER) Introduced by Martha Bennett, Chief
) Operating Officer, with the concurrence of
) Council President Tom Hughes

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2011-12 Budget; and

WHEREAS, Metro Code chapter 2.02.040 requires Metro Council approval to add any new position to the budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2011-12 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of increasing a net 0.50 FTE in the Research Center.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 12-1271

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Total Resources							
<u>Resources</u>							
<i>BEGBAL</i>	<i>Beginning Fund Balance</i>						
3500	Beginning Fund Balance						
	* Undesignated		7,392,000			0	7,392,000
	* Prior period adjustment: TOD		3,290,434			0	3,290,434
	* Project Carryover		842,458			0	842,458
	* Recovery Rate Stabilization Reserve		500,000			0	500,000
	* Reserved for Local Gov't Grants (CET)		3,173,715			0	3,173,715
	* Reserve for Future Debt Service		2,588,707			0	2,588,707
	* Reserved for Community Investment Initiativ		1,838,699			0	1,838,699
	* Reserved for Future Planning Needs		318,662			0	318,662
	* Reserved for Future Election Costs		133,411			0	133,411
	* Reserved for Nature in Neighborhood Grants		298,561			0	298,561
	* Reserved for Active Transportation Partnersh		84,843			0	84,843
	* Reserve for Future Natural Areas Operations		504,460			0	504,460
	* Prior year PERS Reserve		4,653,605			0	4,653,605
	<i>Subtotal Beginning Fund Balance</i>		<i>25,619,555</i>			<i>0</i>	<i>25,619,555</i>
<u>General Revenues</u>							
<i>EXCISE</i>	<i>Excise Tax</i>						
4050	Excise Taxes		15,100,765			0	15,100,765
4055	Construction Excise Tax		1,605,000			0	1,605,000
<i>RPTAX</i>	<i>Real Property Taxes</i>						
4010	Real Property Taxes-Current Yr		11,424,309			0	11,424,309
4015	Real Property Taxes-Prior Yrs		343,000			0	343,000
<i>INTRST</i>	<i>Interest Earnings</i>						
4700	Interest on Investments		107,000			0	107,000
	<i>Subtotal General Revenues</i>		<i>28,580,074</i>			<i>0</i>	<i>28,580,074</i>
<u>Department Revenues</u>							
<i>GRANTS</i>	<i>Grants</i>						
4100	Federal Grants - Direct		3,920,144			0	3,920,144
4105	Federal Grants - Indirect		7,256,984			0	7,256,984
4110	State Grants - Direct		736,970			0	736,970
4120	Local Grants - Direct		258,098			0	258,098
<i>LGSHRE</i>	<i>Local Gov't Share Revenues</i>						
4135	Marine Board Fuel Tax		90,246			0	90,246
4139	Other Local Govt Shared Rev.		463,398			0	463,398
<i>GVCNTB</i>	<i>Contributions from Governments</i>						
4145	Government Contributions		3,024,060			0	3,024,060
4150	Contractor's Business License		386,000			0	386,000
<i>CHGSVC</i>	<i>Charges for Service</i>						
4165	Boat Launch Fees		156,432			0	156,432
4180	Contract & Professional Service		803,047			0	803,047
4230	Product Sales		95,968		44,000		139,968
4280	Grave Openings		177,450			0	177,450
4285	Grave Sales		165,876			0	165,876
4500	Admission Fees		6,210,278			0	6,210,278
4501	Conservation Surcharge		144,000			0	144,000
4502	Admission Fees - Memberships		1,184,000			0	1,184,000

Exhibit A
Ordinance No. 12-1271

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
4503	Admission Fees - Special Concerts		1,254,000		0		1,254,000
4510	Rentals		716,126		0		716,126
4550	Food Service Revenue		5,381,070		0		5,381,070
4560	Retail Sales		2,258,304		0		2,258,304
4580	Utility Services		2,028		0		2,028
4610	Contract Revenue		914,793		0		914,793
4620	Parking Fees		924,000		0		924,000
4630	Tuition and Lectures		1,208,887		0		1,208,887
4635	Exhibit Shows		702,500		0		702,500
4640	Railroad Rides		960,000		0		960,000
4645	Reimbursed Services		224,000		0		224,000
4650	Miscellaneous Charges for Service		14,867		0		14,867
4760	Sponsorships		60,140		0		60,140
<i>DONAT</i>	<i>Contributions from Private Sources</i>						
4750	Donations and Bequests		1,065,100		0		1,065,100
<i>MISCRV</i>	<i>Miscellaneous Revenue</i>						
4170	Fines and Forfeits		25,000		0		25,000
4890	Miscellaneous Revenue		113,689		0		113,689
<i>EQTRV</i>	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from MERC Operating Fund		1,958,805		0		1,958,805
	* from MERC Pooled Capital Fund		25,000		0		25,000
	* from Natural Areas Fund		47,000		0		47,000
	* from Risk Management Fund		657,347		0		657,347
	* from Solid Waste Revenue Fund		1,112,000		0		1,112,000
<i>INDTRV</i>	<i>Interfund Reimbursements</i>						
4975	Transfer for Indirect Costs						
	* from MERC Operating Fund		2,164,856		0		2,164,856
	* from Zoo Bond Fund		148,940		0		148,940
	* from Natural Areas Fund		1,241,830		0		1,241,830
	* from Solid Waste Revenue Fund		4,085,082		0		4,085,082
<i>INTSRV</i>	<i>Internal Service Transfers</i>						
4980	Transfer for Direct Costs						
	* from Zoo Bond Fund		188,236		0		188,236
	* from MERC Operating Fund		77,884		0		77,884
	* from Natural Areas Fund		477,107		0		477,107
	* from Smith & Bybee Lakes Fund		112,251		0		112,251
	* from Solid Waste Revenue Fund		2,048,786		0		2,048,786
<i>Subtotal Department Revenues</i>			<i>55,242,579</i>		<i>44,000</i>		<i>55,286,579</i>
TOTAL RESOURCES			\$109,442,208		\$44,000		\$109,486,208

**Exhibit A
Ordinance No. 12-1271**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Research Center							
<i>Personal Services</i>							
SALWGE	<i>Salaries & Wages</i>						
5010	Reg Employees-Full Time-Exempt						
	Assistant GIS Specialist	2.00	106,266	-	0	2.00	106,266
	Administrative Specialist IV	1.00	50,069	-	0	1.00	50,069
	Assistant Regional Planner	1.00	57,953	-	0	1.00	57,953
	Associate GIS Specialist	2.00	133,062	-	0	2.00	133,062
	Associate Regional Planner	1.00	57,953	-	0	1.00	57,953
	Associate Transportation Modeler	4.00	259,464	-	0	4.00	259,464
	Manager I	1.00	93,311	-	0	1.00	93,311
	Manager II	2.00	183,384	-	0	2.00	183,384
	Principal GIS Specialist	2.00	179,491	-	0	2.00	179,491
	Principal Regional Planner	1.00	89,745	-	0	1.00	89,745
	Principal Transportation Modeler	3.00	269,236	-	0	3.00	269,236
	Program Director II	1.00	135,739	-	0	1.00	135,739
	Program Supervisor II	2.00	166,106	-	0	2.00	166,106
	Senior GIS Specialist	3.00	233,962	-	0	3.00	233,962
	Senior Transportation Modeler	2.00	170,977	-	0	2.00	170,977
5020	Reg Emp-Part Time-Exempt						
	Assistant GIS Specialist	0.60	30,886	-	0	0.60	30,886
	Associate GIS Specialist	1.10	73,448	-	0	1.10	73,448
	Principal Regional Planner	0.47	46,457	-	0	0.47	46,457
	Senior GIS Specialist	0.80	56,318	0.50	33,891	1.30	90,209
5030	Temporary Employees		30,224		0		30,224
5089	Salary Adjustments				0		
	Merit/COLA Adjustment (non-rep)		5,785		0		5,785
	Step Increases (AFSCME)		19,149		0		19,149
	COLA (represented employees)		17,408		0		17,408
	Other Adjustments (non-represented)				0		
	Other Adjustments (AFSCME)		9,916		0		9,916
FRINGE	<i>Fringe Benefits</i>						
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		966,939		10,109		977,048
Total Personal Services		30.97	\$3,443,248	0.50	\$44,000	31.47	\$3,487,248
Total Materials & Services			\$1,002,334		\$0		\$1,002,334
TOTAL REQUIREMENTS		30.97	\$4,445,582	0.50	\$44,000	31.47	\$4,489,582

Exhibit A
Ordinance No. 12-1271

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
Total Interfund Transfers			\$5,017,479		\$0		\$5,017,479
<i>Contingency & Unappropriated Balance</i>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* Contingency		3,022,646		(44,000)		2,978,646
	* Opportunity Account		153,496		0		153,496
	* Reserved for Streetcar LID (RRSR)		500,000		0		500,000
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		2,320,296		44,000		2,364,296
	* PERS Reserve		6,238,195		0		6,238,195
	* Recovery Rate Stabilization reserve		1,396,943		0		1,396,943
	* Reserved for Community Investment Initiativ		812,000		0		812,000
	* Reserved for Future Natural Areas Operation:		204,460		0		204,460
	* Reserved for Local Gov't Grants (CET)		1,165,574		0		1,165,574
	* Reserved for Future Planning Needs		14,993		0		14,993
	* Reserve for Future Debt Service		2,526,028		0		2,526,028
Total Contingency & Unappropriated Balance			\$18,354,631		\$0		\$18,354,631
TOTAL REQUIREMENTS		455.31	\$109,442,208	0.50	\$44,000	455.81	\$109,486,208

Exhibit B
Ordinance 12-1271
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,499,577	0	2,499,577
Council Office	3,694,550	0	3,694,550
Finance & Regulatory Services	3,877,640	0	3,877,640
Human Resources	2,304,931	0	2,304,931
Information Services	3,626,474	0	3,626,474
Metro Auditor	686,452	0	686,452
Office of Metro Attorney	2,067,885	0	2,067,885
Oregon Zoo	28,541,635	0	28,541,635
Parks & Environmental Services	6,586,184	0	6,586,184
Planning and Development	16,561,877	0	16,561,877
Research Center	4,445,582	44,000	4,489,582
Sustainability Center	5,022,941	0	5,022,941
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,566,055	0	4,566,055
Non-Departmental			
Debt Service	1,588,215	0	1,588,215
Interfund Transfers	5,017,479	0	5,017,479
Contingency	3,676,142	(44,000)	3,632,142
Unappropriated Balance	14,678,489	44,000	14,722,489
Total Fund Requirements	\$109,442,208	\$44,000	\$109,486,208

All other appropriations remain as previously adopted

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE INCREASING A NET 0.50 FTE IN THE RESEARCH CENTER

Date: January 6, 2012 Prep

Prepared by: Mike Hoglund 503-797-1743

BACKGROUND

This request was originally introduced to Council in November 2011 as part of Ordinance No. 11-1265, but was postponed in order that the new COO and Council could review the position consistent with guidelines for the FY 2012-13 budget. Following that review, the position has been re-classified from full-time permanent to full-time, limited duration and will be further reviewed as part of the next two budget cycles consistent with both need and available resources.

GIS Support to Regional Partners

The DRC division of the Research Center has provided GIS support to paying external clients for the past twenty years. This enterprise was launched by the Metro Council in 1991 after the Oregon State Legislature authorized the venture that same year. Since that time, the services provided to paying clients have supported innovation and growth in areas that have often led to improvements in the policy decision support that the DRC provides to internal clients at Metro. Key partnerships have been forged in the GIS community, and products have been developed that have improved collaboration with stakeholders throughout the region.

Over the years, the DRC has consistently carried temporary and limited duration staff to support the delivery of products and services to these external clients. The process of recruiting and training new staff each year has proved to be an inefficient solution for meeting the constant demand for these services. Because of this inefficiency, it has been a long-term goal to match staff capacity with this steady demand.

This issue is being addressed now because a Senior GIS Specialist in the DRC has requested to reduce her commitment from 1.0 FTE to 0.5 FTE. This action will make 0.5 FTE available for a new hire. Rather than hire a part-time employee, the Research Center would like to hire 1.0 FTE limited duration position, adding 0.5 FTE to address the long-standing issue described above. This action is expected to increase sales revenue over the amount budgeted to offset the increased expense.

Specifically, the action will reduce a regular full-time position from 1.0 FTE to 0.50 FTE and add a limited duration full time 1.0 FTE at the same classification level. The limited duration position will be authorized through 6/30/13. The position will be reviewed during the FY 2013-14 budget development process. Continuation of the position will be contingent upon the department demonstrating and documenting additional revenue generation as a result of the addition of the position.

Oregon budget law does not allow the recognition and direct appropriation of this additional revenue without the benefit of a supplemental budget. This action transfers \$44,000 from the General Fund contingency to personal services to provide for the needed increase in appropriation for salaries and fringe benefit expense. It also acknowledges the receipt of \$44,000 in additional revenue but places the additional revenue in the Stabilization Reserve (unappropriated balance) in the General Fund, in effect replenishing the contingency next year.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. ORS 294.450(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body. Metro code chapter 2.02.040 requires the Metro Council to approve the addition of any position to the budget.
3. **Anticipated Effects:** This action provides for changes in operations as described above and detailed below; adding a net 0.50 FTE to the FY 2011-12 budget; and transferring \$44,000 from the General Fund contingency to the Research Center to provide for additional salaries and benefits.
4. **Budget Impacts:** This action has the following impact on the FY 2011-12 budget:
 - Reduces 1.0 FTE regular full time position to 0.50 FTE regular part-time position
 - Adds 1.0 FTE limited duration full time position authorized through 6/30/13. Continuation of the position past this date will be contingent upon a review of anticipated revenues during the FY 2013-14 budget development.
 - Transfers \$44,000 from the General Fund contingency to personal services to provide for the needed increase in appropriation for salaries and fringe benefit expense.
 - Acknowledges the receipt of \$44,000 in additional revenue but places the additional revenue in the Stabilization Reserve (unappropriated balance) in the General Fund, in effect replenishing the contingency next year.

RECOMMENDED ACTION

The Chief Operating Office recommends adoption of this Ordinance.

Agenda Item No. 5.1

Resolution No. 12-4322, For the Purpose of Providing
Direction to Metro Concerning Bills Before the 2012 Oregon
Legislature.

Resolutions

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF PROVIDING) RESOLUTION NO. 12-4322
DIRECTION TO METRO CONCERNING BILLS)
BEFORE THE 2012 OREGON LEGISLATURE) Introduced by Councilor Carl Hosticka
)
)

WHEREAS, Metro has an interest in bills before the 2012 Oregon Legislature; and

WHEREAS, the Metro Council and Metro staff will represent Metro’s interest during the upcoming legislative session; and

WHEREAS, the Metro Council wishes to establish a united position on important legislative proposals and provide direction to its staff in order to represent the will of the agency; and

WHEREAS, the attached Exhibit “A” of this resolution lists specific expected and potential 2012 issues that are of concern to Metro and the metropolitan region and gives guidance to staff on the Metro Council’s position on these issues; and

WHEREAS, the attached Exhibit “B” states the Metro Council’s principles regarding categories of potential legislation in order to provide guidance to staff in representing Metro; now therefore

BE IT RESOLVED that the Metro Council hereby directs the Metro Chief Operating Officer, the Metro Attorney, and Metro staff to make the agency’s position on a variety of legislative proposals clear with the 2012 Oregon Legislature consistent with Exhibits “A” and “B” attached hereto.

ADOPTED by the Metro Council this _____ day of January, 2012.

Tom Hughes, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

METRO COUNCIL LEGISLATIVE PRIORITIES
2012 Legislative Session



Legislation to be initiated by Metro:

- **Background checks:** Lift sunset on statutory authorization for Metro to require employees and volunteers with direct unsupervised access to children (primarily at the Oregon Zoo) to enroll in Oregon Child Care Division's Central Background Registry.
- **Disposition of abandoned burial spaces:** Establish process for vacating the ownership of graves when there has been no contact with owners for over 50 years and owners cannot be found.
- **Steve Apotheker tribute:** Pass legislative resolution honoring Steve Apotheker for his service to the region, state and nation in the field of recycling.

Other potential legislation:

- **Guns and public facilities:** Support legislation that increases Metro's authority to regulate the carrying of firearms on Metro properties, and oppose legislation that limits or reduces that authority.
- **Transient lodging tax:** Support legislation requiring internet travel companies to pay transient lodging tax on full consideration paid for lodging.
- **Product stewardship for mercury-containing fluorescent lights:** Support legislation based on producer responsibility intended to minimize risk to people and the environment from mercury-containing fluorescent bulbs.
- **Toxics:** Support legislation intended to protect public, especially children, from products containing toxic chemicals.
- **Impacts of diesel garbage and recycling trucks:** Support efforts to align state law with federal policy to enable Metro to leverage with federal dollars investments to reduce the health and environmental impacts of diesel emissions.

METRO COUNCIL 2012 LEGISLATIVE PRINCIPLES¹

LOCAL AUTHORITY

1. **Pre-emption:** The Legislature should remove existing restrictions on local and regional revenue-raising authority and avoid enacting new limitations or pre-emptions. Within the context of Oregon's land use system, Metro's authority should not be pre-empted.
2. **Funding:** State mandates should be accompanied by funding.

LAND USE:

3. **Efficiency:** Land within UGBs should be used efficiently before UGBs are expanded.²
4. **Need:** The UGB should not be expanded in the absence of demonstrated need.³
5. **Transportation:** Land use and transportation planning should be coordinated so land uses do not undermine the transportation system and transportation investments do not lead to inappropriate land uses.⁴
6. **Annexation:** As cities are the preferred governing structure for providing public services to urban areas, Metro supports reforms that will facilitate, or reduce barriers to, orderly annexation and incorporation.
7. **Rules/Statutes:** Administrative rules should not be adopted into statute.
8. **Successful Communities:** Metro supports legislation that facilitates the achievement of the region's six desired outcomes for successful communities: vibrant, walkable communities; economic competitiveness and prosperity; safe and reliable transportation choices; leadership in minimizing contributions to global warming; clean air, clean water and healthy ecosystems; and equitable distribution of the burdens and benefits of growth and change.⁵
9. **Non-Regulatory Tools:** State efforts at regulatory streamlining should include funding to support development of non-regulatory tools for achieving desired land use outcomes.⁶
10. **Fiscal Responsibility:** Funding to support urban development should be generated at least in part by fees on those who directly benefit from that development.

SOLID WASTE:

11. **Product stewardship:** Metro supports efforts to minimize the health, safety, environmental, economic and social risks throughout all lifecycle stages of a product and its packaging, and believes that the producer of the product has the greatest ability, and therefore the greatest responsibility, to minimize those adverse impacts.

TRANSPORTATION:

12. **Transportation Funding:** Metro supports an increase in overall transportation funding, investments in a balanced multimodal transportation system, and flexibility in the system to provide for local solutions to transportation problems.

PARKS AND NATURAL AREAS:

13. **Parks and Natural Areas:** Metro supports measures to increase local and regional authority to raise revenues to support parks and natural areas and to increase the level of state funding distributed to local governments for acquisition, capital improvements, and park operations.

SUSTAINABILITY:

14. Climate Change: Metro supports efforts to combat and adapt to climate change and to meet the state's goals for reducing greenhouse gas emissions.

¹ Footnotes refer to applicable policy statements in Metro's Regional Framework Plan (RFP).

² RFP Policy 1.1 (Compact Urban Form).

³ RFP Policy 1.9 (Urban Growth Boundary).

⁴ RFP Policy 1.3.13 (Housing Choices and Opportunities; Transportation Goal 1 (Foster Vibrant Communities and Efficient Urban Form)).

⁵ RFP Chapter 1 (Land Use).

⁶ Policy 1.1 (Compact Urban Form); Policy 1.2 (Centers, Corridors, Station Communities and Main Streets).

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4322, FOR THE PURPOSE OF PROVIDING DIRECTION TO METRO CONCERNING BILLS BEFORE THE 2012 OREGON LEGISLATURE

Date: January 17, 2012

Prepared by: Randy Tucker

BACKGROUND

The Metro Council has taken formal positions on legislation since its inception. The first such action taken by the Council was in Resolution No. 79-23 in which it took a position on SB 66, which dealt with economic development. Since that time, Metro has taken formal and informal positions on legislation (state and federal) that it feels impacts the agency and the region.

The agenda and principles described in Exhibits A and B were developed by Randy Tucker (Legislative Affairs Manager) in consultation with the Metro Council. The specific legislative issues described in Exhibit A resulted from consultation with legislative liaisons and other staff in Metro departments. These issues were discussed with the Metro Council in work sessions that occurred between November 2011 and January 2012.

Where applicable, the principles in Exhibit B also reflect existing Metro policy as embodied in the Regional Framework Plan.

As issues arise and develop during the 2012 legislative session, the Council will have the opportunity to take positions on specific pieces of legislation and to modify its agenda as it sees fit.

ANALYSIS/INFORMATION

1. **Known Opposition:** none
2. **Legal Antecedents:** none applicable
3. **Anticipated Effects:** Provide direction to Metro staff with respect to issues before the 2012 Oregon Legislature
4. **Budget Impacts:** None

RECOMMENDED ACTION

Staff recommends approval of Resolution No. 12-4322.

Agenda Item No. 5.2

Resolution No. 12-4324, For the Purpose of Accepting the
Phase 1 Findings and Strategy Toolbox for the Portland
Metropolitan Region to Acknowledge the Work Completed to
Date and Initiate Phase 2 of the Climate Smart Communities
Scenarios Project.

Resolutions

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING THE)	RESOLUTION NO. 12-4324
CLIMATE SMART COMMUNITIES)	
SCENARIOS PROJECT PHASE 1 FINDINGS)	Introduced by Councilor Carlotta Collette
AND STRATEGY TOOLBOX FOR THE)	
PORTLAND METROPOLITAN REGION TO)	
ACKNOWLEDGE WORK COMPLETED TO)	
DATE AND INITIATE PHASE 2 OF THE)	
CLIMATE SMART COMMUNITIES)	
SCENARIOS PROJECT)	

WHEREAS, the State of Oregon’s 2007 greenhouse gas emissions reductions goals direct Oregon to stop increases in greenhouse gas emissions by 2010, reduce emissions to at least 10 percent below 1990 levels by 2020, and reduce emissions to at least 75 percent below 1990 levels by 2050; and

WHEREAS, the cities of Beaverton, Forest Grove, Gladstone, Gresham, Hillsboro, Lake Oswego, Milwaukie, Oregon City, and Portland which together represent 66 percent of the population under Metro’s jurisdiction, have all signed onto the U.S. Mayor’s Climate Protection Agreement, pledging to reduce their greenhouse gas emissions by 7 percent below 1990 levels by 2012; and

WHEREAS, the Metro Council directed development of a regional climate change action plan to meet the State’s greenhouse gas reductions goals and coordinate a regional approach to meeting the goals in 2008; and

WHEREAS, Oregon Legislature passed House Bill 2001, also known as the Jobs and Transportation Act (“JTA”), in 2009; and

WHEREAS, Section 37 of the JTA directs the Land Conservation and Development Commission (“LCDC”) to adopt rules, in consultation with the Oregon Transportation Commission, by June 1, 2011, identifying the reduction in GHG emissions caused by light vehicles that the Portland region would need to achieve by 2035 to be consistent with the targets in HB 3543; and

WHEREAS, Section 37 of the JTA requires Metro to develop two or more alternative land use and transportation scenarios by January 1, 2012, that accommodate planned population and job growth while achieving a reduction in greenhouse gas emissions from motor vehicles with a gross vehicle weight rating of 10,000 pounds or less (light vehicles); and

WHEREAS, Section 38 of the JTA, requires the Department of Land Conservation and Development (“DLCD”) and the Department of Transportation (“ODOT”) to report to the House and Senate interim committees related to transportation on progress toward implementing the land use and transportation scenario planning described in Section 37 of the JTA; and

WHEREAS, the Metro Council, with the advice and support of the Metro Policy Advisory Committee (“MPAC”) and the Joint Policy Advisory Committee on Transportation (“JPACT”), adopted the 2035 Regional Transportation Plan (“RTP”) in 2010 and directed staff to conduct greenhouse gas scenario planning; and

WHEREAS, on December 16, 2010, the Metro Council, with the advice and support of MPAC, adopted the Community Investment Strategy and established six desired outcomes to reflect the region's desire to develop vibrant, prosperous and sustainable communities with safe and reliable transportation choices, that minimize carbon emissions and that distribute the benefits and burdens of development equitably in the region as set forth in Ordinance No. 10-1244B (For the Purpose of Making the Greatest Place and Providing Capacity for Housing and Employment to the Year 2030; Amending the Regional Framework Plan and the Metro Code; and Declaring an Emergency); and

WHEREAS, the Portland metropolitan region is undertaking greenhouse gas scenario planning for light vehicles through the Climate Smart Communities Scenarios Project to demonstrate climate change leadership, support all six desired outcomes, implement the 2035 RTP and Community Investment Strategy and respond to Section 37 of the JTA; and

WHEREAS, the Climate Smart Communities Scenarios Project is a 3-phase collaborative effort designed to help communities in the Portland metropolitan region realize their aspirations for growth and development and maximize achievement of the region's six desired outcomes and state climate goals; and

WHEREAS, the Scenarios Project is building on the land use and transportation strategies contained in the 2040 Growth Concept, the long-range vision adopted by the region in 1995, and 2010 Metro Council actions; and

WHEREAS, Phase 1 of the Scenarios Project has been completed and focused on understanding the region's land use and transportation choices by conducting a review of published research and testing 144 regional scenarios; and

WHEREAS, the Metro Council, JPACT, MPAC, Metro Technical Advisory Committee ("MTAC"), Transportation Policy Advisory Committee ("TPAC") and a technical work group of MTAC and TPAC members have considered the Phase 1 Findings and the Strategy Toolbox; and

WHEREAS, the region's decision-makers will use the Phase 1 research and subsequent stakeholder engagement to direct development and evaluation of additional scenarios in Phases 2 and 3; and

WHEREAS, future project phases will likely identify additional policies and strategies needed to achieve the needed GHG emissions reductions while meeting other economic, social and environmental goals and supporting the individual needs and aspirations of communities in the region; and

WHEREAS, MPAC and JPACT accepted the Phase 1 Findings to receive officially and acknowledge the work completed to date, and recommended that the Metro Council do the same; now, therefore,

BE IT RESOLVED THAT:

1. The Metro Council accepts the Climate Smart Communities Scenarios Project Phase 1 Findings in Exhibit A and the Strategy Toolbox For the Portland Metropolitan Region in Exhibit B to receive officially and acknowledge the work completed to date.
2. The Metro Council directs staff to submit both reports to the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development by January 27, 2012 for inclusion in their joint progress report to the Legislative by February 1, 2012.

3. The Metro Council directs staff to initiate Phase 2 of the Climate Smart Communities Scenarios Project and finalize its work plan and engagement strategy in collaboration with Metro's technical and policy advisory committees.

ADOPTED by the Metro Council this 26th day of January, 2012.

Tom Hughes, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

CLICK HERE FOR FULL REPORT



Climate Smart Communities Scenarios Project

Understanding Our Land Use and Transportation Choices

PHASE 1 FINDINGS | JANUARY 12, 2012

CLICK HERE FOR FULL REPORT

www.oregonmetro.gov/climatescenarios



Climate Smart Communities: Scenarios Project

Strategy Toolbox

for the Portland metropolitan region

Review of the latest research on greenhouse gas emissions reduction strategies and the benefits they bring to the region

October 2011



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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4324, FOR THE PURPOSE OF ACCEPTING THE CLIMATE SMART COMMUNITIES SCENARIOS PROJECT PHASE 1 FINDINGS AND STRATEGY TOOLBOX FOR THE PORTLAND METROPOLITAN REGION TO ACKNOWLEDGE WORK COMPLETED TO DATE AND INITIATE PHASE 2 OF THE CLIMATE SMART COMMUNITIES SCENARIOS PROJECT

Date: January 6, 2012

Prepared by: Kim Ellis, x1617

BACKGROUND

Since 2006, Oregon has initiated a number of actions to respond to mounting scientific evidence that shows the earth's climate is changing, signaling a long-term commitment to significantly reduce greenhouse gas (GHG) emissions in Oregon.

In 2007 the Oregon Legislature established statewide GHG emissions reduction goals. The goals apply to all emission sectors - energy production, buildings, solid waste and transportation - and direct Oregon to:

- Stop increases in GHG emissions by 2010
- Reduce GHG emissions to 10 percent below 1990 levels by 2020
- Reduce GHG emissions to at least 75 percent below 1990 levels by 2050

In 2009, the Oregon Legislature passed House Bill 2001, the Jobs and Transportation Act (JTA). Section 37 of the Act requires Metro to develop two or more alternative land use and transportation scenarios by January 1, 2012 that are designed to accommodate planned population and job growth for the year 2035 and reduce GHG emissions from light vehicles. Section 37 of the Act also requires Metro to adopt a preferred scenario after public review and consultation with local governments, and calls for local governments in the Portland metropolitan region to implement the adopted scenario.

In 2010, the Metro Council adopted the 2035 Regional Transportation Plan (RTP) and directed staff to conduct greenhouse gas scenario planning consistent with the JTA. The Metro Council also adopted the Community Investment Strategy and established six desired outcomes in 2010 to reflect the region's desire to develop vibrant, prosperous and sustainable communities with safe and reliable transportation choices, that minimize carbon emissions and that distribute the benefits and burdens of development equitably in the region.

To guide Metro's scenario planning work, the Land Conservation and Development Commission (LCDC) adopted the Metropolitan Greenhouse Gas Reduction Targets Rule in May 2011. Also required by section 37 of the JTA, the rule identifies GHG emissions reduction targets for each of Oregon's six metropolitan areas for the year 2035. The targets identify the percentage reduction in per capita GHG emissions from light vehicle travel that is needed to help Oregon meet its GHG emissions reduction goals.

The LCDC target-setting process assumed changes to the vehicle fleet mix, improved fuel economy, and the use of improved vehicle technologies and fuels that would reduce 2005 emissions levels from 4.05 to 1.51 MT CO₂e per capita by the year 2035. The adopted target for the Portland metropolitan area calls for a 20 percent per capita reduction in GHG emissions from light vehicle travel by the year 2035. This target reduction is in addition to the reduction expected from changes to the fleet and technology sectors as

identified in the Agencies' Technical Report. Therefore, to meet the target, per capita roadway GHG emissions must be reduced by an additional 20 percent below the 1.51 MT CO₂e per capita by the year 2035 – to 1.2 MT CO₂e per capita. The adopted target for the region is the equivalent of 1.2 MT CO₂e per capita by the year 2035.

Since 1995, Metro and its partners have collaborated to help communities realize their local aspirations while moving the region toward its goals for making a great place: vibrant communities, economic prosperity, transportation choices, equity, clean air and water, and regional climate change leadership. Local and regional efforts to implement the 2040 Growth Concept, 2035 RTP and the Community Investment Strategy provide a good basis for the GHG scenario planning work required of the region.

The Portland metropolitan region is undertaking greenhouse gas scenario planning in three phases as part of the Climate Smart Communities Scenarios Project (Scenarios Project) to demonstrate climate change leadership, implement the 2010 Council actions and respond to the JTA.

The Scenarios Project is a 3-phase collaborative effort designed to help communities in the Portland metropolitan region realize their aspirations for growth and development and maximize achievement of the region's six desired outcomes and state climate goals. The Scenarios Project is building on the land use and transportation strategies contained in the 2040 Growth Concept, the long-range vision adopted in 1995, as well as the 2010 Council actions.

The region has completed the first phase of the Scenarios Project – Understanding Choices. Phase 1 focused on understanding the region's land use and transportation choices by conducting a review of published research and testing 144 regional scenarios.

The Strategy Toolbox summarizes published local, national and international research on strategies that can help reduce transportation-related GHG emissions and meet other policy objectives. The report documents benefits of different strategies to a community, synergies between strategies and implementation opportunities and challenges to be addressed in Phases 2 and 3.

In May 2011, a work group of members from TPAC and MTAC was charged with helping Metro staff develop the Phase 1 scenarios assumptions, consistent with the guiding principles and evaluation framework endorsed by the Metro Council, JPACT and MPAC in June 2011. The technical work group defined the scenario assumptions to be tested while Metro and ODOT staff developed tools to support the analysis in summer 2011. The model development work concluded in September 2011, and the initial model runs were completed in October. Metro staff used a regionally tailored version of ODOT's Greenhouse Gas State Transportation Emissions Planning (GreenSTEP) model to conduct the analysis. Using GreenSTEP – the same model used to set the region's GHG emissions reduction target – ensures compatibility with state's planning efforts and provides a common GHG emissions reporting tool across the state.

Land use and transportation strategies were organized into six policy areas:

- Community design - Complete neighborhoods and mixed-use areas, urban growth boundary, transit service, bike travel, parking
- Pricing - Pay-as-you-drive insurance, gas tax, road use fee, carbon fee
- Marketing and incentives - Eco-driving, individualized marketing programs, employer commute programs, car-sharing
- Roads - Freeway and arterial capacity, traffic management
- Fleet - Fleet mix and age

- Technology - Fuel economy, carbon intensity of fuels, electric and plug-in hybrid electric vehicle market share

Each of these policy areas includes individual strategies that have been shown to affect GHG emissions. While some strategies are new to the region, many of the strategies tested are already being implemented to varying degrees in the region to realize the 2040 Growth Concept and the aspirations of communities in the region.

The Phase 1 scenarios tested demonstrate the GHG emissions reduction potential of current plans and policies, as well as which combinations of more ambitious land use and transportation strategies are needed to meet the state target. The assumptions used in the Phase 1 scenarios are ambitious and were based on the need to create a starting point to test scenarios.

The work completed to date yielded the following Phase 1 scenarios findings:

Finding 1: Current local and regional plans and policies are ambitious and provide a strong foundation for meeting the region's GHG target. If realized, they will result in substantial per capita GHG emissions reductions from 2005 levels. However, a continued shift in consumer preferences and significant investment, commitment and leadership are needed to realize these aspirations.

Finding 2: The reduction target is achievable but will take additional effort and new strategic actions. Ninety-three of 144 scenarios tested meet the 20 percent per capita GHG emissions reduction target. Various combinations of policies achieved GHG emissions reductions ranging from 20 percent to 53 percent below 2005 levels.

Finding 3: Most of the strategies under consideration are already being implemented to varying degrees in the region to achieve the 2040 Growth Concept vision and other important economic, social and environmental goals. Driving less conserves energy, reduces fuel consumption and keeps money in the region that consumers and businesses can spend on other things to help stimulate the region's economy. Supporting investments such as bike lanes, sidewalks, new transit service, and electric vehicle charging stations will help expand travel options for everyone.

Finding 4: A range of policy choices exists to reduce GHG emissions; the best approach is a mix of strategies. Light-duty vehicle emissions are a function of vehicle efficiency, technology, fuel content and vehicle travel. While improving vehicle and fuel efficiency achieves significant reductions in GHG emissions, per capita vehicle travel must be reduced to meet the target.

Finding 5: Community design and pricing play a key role in how much and how far people drive each day and provide significant GHG emissions reductions. The analysis revealed that community design or pricing strategies must be more ambitious than current policies to meet the target. However, pricing and community design together yield the largest GHG emissions reduction per capita.

Finding 6: Fleet, technology and pricing strategies provide similar significant GHG emissions reductions but no single strategy is enough to meet the region's target. Pricing, when combined with the most ambitious fleet and technology strategies, meets the target.

Finding 7: Road management and marketing strategies improve system and vehicle efficiency and reduce vehicle travel to provide similar, but modest GHG emissions reductions. Combining these strategies with community design provides additional emissions reduction that can help meet the region's GHG target.

The region's decision-makers will use the Phase 1 research and subsequent stakeholder engagement to direct development and evaluation of additional scenarios in Phases 2 and 3. Future project phases will likely identify additional policies and strategies needed to achieve the needed GHG emissions reductions while meeting other economic, social and environmental goals and supporting the individual needs and aspirations of communities in the region.

In Phase 2, the level of implementation of these strategies as well as their timing and sequencing will be explored and further refined to develop alternative scenarios. This work will apply the findings from Phase 1 and incorporate strategies identified in local and regional planning efforts that are under way. This phase will result in development of alternative scenarios that will be subject to further analysis and review in Phase 3. The analysis will evaluate the benefits, impacts, costs and savings associated with different strategies across environmental, economic and equity goals. Case studies will be developed to illustrate potential community effects.

In 2013 and 2014, the region will collaboratively build and select a preferred scenario after public review and consultation with local governments. This phase will define policies, investments and actions needed to implement a preferred scenario that meets the target while taking into consideration differing local conditions and aspirations and other factors. This work will also include development of a finance strategy.

Council action to officially accept the Phase 1 Findings and Strategy Toolbox would acknowledge the work completed to date, and marks the end of Phase 1. The Phase 1 Findings report provides a vehicle for engaging project stakeholders during Phase 2. The findings and Strategy Toolbox will also be submitted to the Oregon Department of Transportation and the Department of Land Conservation and Development in January for inclusion in their joint progress report to the 2012 Legislature by February 1, 2012.

From February to April 2012, staff will work with Metro's technical and policy advisory committees to finalize the Phase 2 and Phase 3 work plan and engagement strategy. In addition, upcoming Metro Council, MPAC and JPACT discussions will focus on the Phase 1 findings and policy choices presented by the research. Planning is also underway for a JPACT/MPAC/Council work session in Spring 2012 to gather input for Phase 2 of the process.

The Scenarios Project is not only addressing climate change for the sake of state mandates. Through this effort, the region will build on a long tradition of innovation, excellence in urban planning, and conservation and stewardship of our natural environment. The bold decisions made decades ago mean we drive much less than other regions our size – giving the Portland metropolitan area a head start over other regions across the country. In this context, the Scenarios Project will consider policies, investments and actions needed by 2035 to tackle the climate challenge. The Project will show that solutions are at hand that will turn the challenge of climate change into opportunities to enhance the region's resilience, prosperity and quality of life, now and for generations to come.

For now, the Scenarios Project will focus on developing a regional strategy for reducing GHG emissions from cars, small trucks and sport utility vehicles (SUVs) – as required by the Jobs and Transportation Act. Preparation for and adaptation to a changing climate will be addressed in future phases and through other efforts already underway in the region and state.

ANALYSIS/INFORMATION

- 1. Known Opposition** The JPACT Cities of Washington County representative, Jeff Dahlin, voted against acceptance of the Phase 1 Findings because of concerns raised by mayors in Washington County. The mayors met January 11 and discussed their uncertainty about the repercussions of

accepting the findings. The Mayors expressed their desire to have more information about the work and its implications before moving forward to Phase 2. Staff will bring a draft work plan and engagement strategy forward to the Metro Council, MPAC and JPACT for review and to provide direction to staff on the Phase 2 work plan, including engagement of other stakeholders.

2. **Legal Antecedents** Several State and regional laws and actions relate to this action.

Metro Council actions

- Resolution No. 08-3931 (For the Purpose of Adopting a Definition of Sustainability to Direct Metro's Internal Operations, Planning Efforts, and Role as a Regional Convener), adopted on April 3, 2008.
- Ordinance No. 10-10-1241B (For the Purpose of Amending the 2004 Regional Transportation Plan to Comply with State Law; To Add the Regional Transportation Systems Management and Operations Action Plan, the Regional Freight Plan and the High Capacity Transit System Plan; To Amend the Regional Transportation Functional Plan and Add it to the Metro Code; To Amend the Regional Framework Plan; And to Amend the Urban Growth Management Functional Plan), adopted on June 10, 2010.
- Ordinance No. 10-1244B (For the Purpose of Making the Greatest Place and Providing Capacity for Housing and Employment to the Year 2030; Amending the Regional Framework Plan and the Metro Code; and Declaring an Emergency), adopted on December 16, 2010.

State of Oregon actions

- Oregon House Bill 3543, the Climate Change Integration Act, passed by the Oregon Legislature in 2007, codifies state greenhouse gas reduction goals and establishes the Oregon Global Warming Commission and the Oregon Climate Research Institute in the Oregon University System.
- Oregon House Bill 2001, the Jobs and Transportation Act, passed by the Oregon Legislature in 2009, directs Metro to conduct greenhouse gas emissions reduction scenario planning and LCDC to adopt reduction targets for each of Oregon's metropolitan planning organizations.
- Oregon House Bill 2186, passed by the Oregon Legislature in 2009, directs work to be conducted by the Metropolitan Planning Organization Greenhouse Gas Emissions Task Force.
- Oregon Senate Bill 1059, passed by the Oregon Legislature in 2009, directs planning activities to reduce greenhouse gas emissions in the transportation sector and identifies ODOT as the lead agency for implementing its requirements. This work is being conducted through the Oregon Sustainable Transportation Initiative.
- OAR 660-044, the Metropolitan Greenhouse Gas Reduction Targets Rule, adopted by the Land Conservation and Development Commission (LCDC) in May 2011.

3. **Anticipated Effects** With approval:

- Staff will submit the Climate Smart Communities Scenarios Project Phase 1 Findings and Strategy Toolbox to the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development by January 27, 2012 for inclusion in their joint progress report to the Legislative by February 1, 2012.
- Staff will initiate Phase 2 of the Climate Smart Communities Scenarios Project and finalize its work plan and engagement strategy in collaboration with Metro's technical and policy advisory committees.

4. **Budget Impacts** None.

RECOMMENDED ACTION

Staff recommends approval of Resolution No. 12-4324.

Agenda Item No. 5.3

Resolution No. 12-4327, For the Purpose of Designating the Oregon Convention Center Enhanced Marketing Initiative Project as a Council Project; Assigning a Lead Council and Council Liaison and Directing Staff to Complete Phase I Scope of Work.

Resolutions

Metro Council Meeting
Thursday, Jan. 26, 2012
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DESIGNATING THE) RESOLUTION NO. 12-4327
OREGON CONVENTION CENTER ENHANCED)
MARKETING INITIATIVE PROJECT AS A) Introduced by Council President Tom Hughes
COUNCIL PROJECT; ASSIGNING A LEAD)
COUNCILOR AND COUNCIL LIAISON AND
DIRECTING STAFF TO COMPLETE PHASE I
SCOPE OF WORK

WHEREAS, the Metro Council is responsible for the operation of the Metropolitan Exposition and Recreation Commission (MERC), including the Oregon Convention Center (OCC); and

WHEREAS, the mission of the OCC is to maximize economic benefits for the metropolitan region and the state of Oregon, while protecting the public investment in the facility; and

WHEREAS, the cumulative economic effects of the OCC from 2001 to 2011 amount to over \$4 billion in regional spending, support of 51,530 full and part-time jobs in the Tri-County metropolitan region, and the generation of \$150 million in state and local tax revenues, according to independent consulting firms KPMG and Crossroads Consulting; and

WHEREAS, METRO and MERC are responsible for ensuring the OCC operates in a fiscally-responsible manner; and

WHEREAS, METRO and MERC have considered multiple new initiatives to operate the OCC in a fiscally responsible manner, while continuing to support the OCC mission of maximizing the regional economic impact of the OCC; and

WHEREAS, the development of an appropriate block of hotel rooms in the immediate area of the OCC remains the most significant beneficial action to enhance the ability to attract additional national convention business to OCC; and

WHEREAS, in October 2011, MERC requested that METRO reconsider a convention center hotel project to enable OCC to remain competitive with its peer convention centers; and

WHEREAS, on November 30, 2011, METRO discussed this concept at its Budget Retreat and on January 17, 2012, METRO/MERC held a joint work session to explore a strategic but different initiative for OCC hotel room block development and concluded by directing staff to return to METRO with a resolution designating the Enhanced Marketing Initiative as a Council Project; and

WHEREAS, METRO further directs staff to complete the Phase I Assessment Scope of Work as described in the Staff Report and return to Council prior to implementation actions due to a variety of policy and economic and financial feasibility questions; and

WHEREAS, the Council President, working with members of the council, will designate councilors to play lead and liaison roles; now therefore

BE IT RESOLVED:

That the Metro Council hereby designates the Oregon Convention Center Enhanced Marketing Initiative as a Metro Council Project; and that Metro Council President Tom Hughes is hereby designated as lead Metro Councilor and that Metro Councilor Rex Burkholder is hereby designated Metro Council Liaison on this Project.

ADOPTED by the Metro Council this 26th day of January 2012.

Tom Hughes, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

By _____

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4327, FOR THE PURPOSE OF DESIGNATING THE OREGON CONVENTION CENTER ENHANCED MARKETING INITIATIVE AS A COUNCIL PROJECT; ASSIGNING A LEAD COUNCILOR AND COUNCIL LIAISON AND DIRECTING STAFF TO COMPLETE PHASE I SCOPE OF WORK

Date: January 26, 2012
Prepared by: Cheryl Twete

BACKGROUND

In 1986 voters approved \$90 million of general obligation bonds to finance the development of the Oregon Convention Center. The OCC opened in 1990 with a mission to maximize economic benefits for the metropolitan region and the State of Oregon. Conventions and trade shows generate positive economic impacts because they attract out-of-town visitors who spend new money in the local economy on convention activity, hotels, restaurants, shopping and tourism.

After more than a decade of high occupancies, the OCC was expanded in 2001-03 at a cost of more than \$110 million in order to enhance the meeting and ballroom package to attract larger national conventions and events. At this same time, the Portland Development Commission continued its efforts to develop an adjacent convention center hotel, which was the OCC Urban Renewal Area's top public priority.

In 2007, Metro Council adopted Resolution 07-3772 which designated the OCC headquarters hotel project as a Council project and assigned Councilor liaisons. Metro assumed a leadership role from the Portland Development Commission to develop a 600-room, publicly-owned headquarters hotel, with a room block of 500 rooms. During the course of a two-and-a-half-year period, Metro developed a deep and thorough understanding of the marketing and financial dynamics of a headquarters hotel. The effort to develop the headquarters hotel was terminated in September 2009 by Metro and its public partners, the City of Portland and Multnomah County, due to unfeasible economic conditions.

Today, the OCC continues to be recognized by the international convention industry as a beautiful, high-quality convention and exhibition facility and a leader in sustainable business practices. In addition, Portland is considered a highly desirable visitor destination for both business and leisure travel because of the nearby outdoor recreational opportunities, natural beauty and aesthetics, world renowned restaurants, microbreweries, wineries and distilleries, and active art and innovation business sectors.

Despite the destination's wide appeal and attractiveness, and the interest among national convention attendees to meet in Portland, the city continues to lose national convention business due to the insufficient and inconvenient hotel room package currently offered to attendees. Instead, these potential clients choose comparable-sized cities and facilities that can offer an important amenity Portland and the OCC do not: nearby large blocks of hotel rooms.

According to Travel Portland, the OCC's national marketing partner, the primary reason national conventions choose not to book at the OCC is the lack of nearby hotel room blocks. In calendar year 2011 alone, 30 convention and meeting planners cited the lack of nearby large hotel room blocks as the only reason for choosing other cities over Portland.

In an effort to compensate for this deficiency, Travel Portland works diligently on behalf of the OCC to create room-block packages from multiple hotels in the central city, tailored to the needs of individual conventions. When the local hotels are willing to commit room blocks, the challenge remains that rooms are not adjacent to the OCC and scattered geographically among several hotels. A further complication for meeting planners is the requirement to contract separately with each hotel for the room block commitments. Unfortunately, oftentimes, downtown and Lloyd District hotels are unwilling to commit the room blocks necessary to meet the needs of national convention planners.

Because national conventions represent the most lucrative type of business for the OCC, compared to local events and meetings that fill the building in lieu of national conventions, the OCC is facing a long-term trend of facility underutilization, which results in lower operating revenues, fewer jobs supported, less direct and indirect spending and reduced tax revenues for the state and tri-county region.

Past efforts to address the lack of large hotel room blocks within the OCC's vicinity included the commissioning of several marketing and economic studies that informed the project's feasibility analysis and guided decision-makers. Staff believes that this past work generally provides sufficient understanding and baseline information to proceed with discussions and exploration of a modified room-block approach. As was described at the November 30, 2011 Metro Council budget retreat, hotel market, construction costs and financing conditions have all improved since 2009, creating a more advantageous environment to consider hotel room development in proximity to the OCC.

The recently completed Metro Visitor Venues Economic and Fiscal Impact Analysis report for FY 2011 again documents the economic significance of OCC. The OCC had a regional economic impact of \$450 million, generating \$261 million of direct convention spending, creating 4,260 jobs and \$15.5 million of tax revenue in the State of Oregon.

In March 2011, clients and stakeholders of the OCC, through its Advisory Committee, expressed in a letter to the Metropolitan Exposition Recreation Commission (MERC), support for strategies to ensure the long-term business viability of the facility, including strategic investments that enhance the number and quality of nearby hotel room blocks.

In October 2011, the Metropolitan Exposition and Recreation Commission requested that Metro Council initiate a formal project to enhance the OCC's marketability and competitiveness through creation of nearby quality hotel room blocks.

At its November 30, 2011, budget retreat, Council considered the MERC request and received updated information on hotel market, financial, construction and political conditions. Council concurred that the improved conditions warranted a joint briefing of the Council and MERC on the details of the improved conditions.

On January 17, 2012, the Council and Commission directed staff to prepare a resolution to authorize further exploration of the conditions listed above and to prepare a work plan that

Staff Report, Resolution No. 12-4327

includes regular check-in points with both bodies to gauge support, solicit feedback and determine immediate next steps, should conditions warrant it, to pursue opportunities to enhance the competitiveness and marketability of the OCC through a range of options, including the creation of nearby blocks of quality hotel rooms to serve convention attendees.

Therefore, this Resolution 12-4327 and this Report respond to Council's direction and authorize the following: 1) designation of the OCC Enhanced Marketing Initiative as a formal Council project; 2) assignment of Council President Hughes as project lead and Councilor Rex Burkholder as project liaison, working closely with MERC designated liaisons Chair Judie Hammerstad and Commissioner Elisa Dozono; and 3) proceeding with Phase I of the project proposal (see below).

PROJECT PROPOSAL

The following proposal describes a possible approach for the OCC Enhanced Marketing Initiative.

Phase I: Assessment

Upon approval of Resolution 12 – 4327, staff will work with other public partners to develop a framework agreement for the OCC Enhanced Marketing Initiative project. Public partners include Multnomah County, the City of Portland, the Portland Development Commission and, potentially, the State of Oregon. This framework agreement will be presented to MERC and Council in spring 2012 for consideration, feedback and decision-making. If the Council believes that there is merit to proceed with the project, it will direct staff to develop Phase II: Implementation.

Phase I will include the following:

1. Define project scope, approach and parameters for creating options, including new hotel room block, with public partners.
2. Define project and financial commitments each jurisdiction can contribute.
3. Report findings and submit project options to Council and MERC for review and approval.
4. If approved, prepare and negotiate a Memorandum of Understanding summarizing the project scope, schedule, financing obligations and roles and responsibilities of each entity, with Metro serving as the lead partner.
5. Present Memorandum of Understanding to MERC and Council for approval and authorization to develop Phase II for consideration.

KNOWN OPPOSITION

At this early stage of the potential project, there is no known opposition to this approach. However, given previous opposition to the publicly-owned headquarters hotel project in 2007-09, there could be concerns from lodging-industry stakeholders. Creating an open and transparent public communication and outreach strategy will be essential to the success of the project.

LEGAL ANTECEDENTS

Staff Report, Resolution No. 12-4327

Marketing of the OCC is a necessary part of the Metro's charter authority to operate public cultural, trade, conventional and exhibition facilities, Metro Charter Section 6.

BUDGET IMPACTS

The budget impacts of this resolution are staff and Councilor time, plus professional services in the form of potential updated market and financial studies, legal services and communication strategy services, paid for by FY 2011-12 designated funds. Approval for FY 2012-13 funds will be subject to Council approval. This resolution does not seek authorization of any specific agreements, nor does it obligate Metro to commit any hard costs to the Project.

ANTICIPATED EFFECTS

Adopting Resolution No. 12-4327 would authorize Metro to investigate the Enhanced Marketing Initiative effort for the Oregon Convention Center. The resolution would authorize Metro staff to further research feasibility of the Project and report findings and recommendations to Council for review and approval.

RECOMMENDED ACTION

The Office of the Chief Operating Officer recommends adoption of this resolution.

Materials following this page were distributed at the meeting.



METRO COUNCIL MEETING

Meeting Summary

Jan. 19, 2012

The Oregon Zoo,

Cascade Crest Banquet Room

Councilors Present: Deputy Council President Rex Burkholder and Councilors Barbara Roberts, Kathryn Harrington, Shirley Craddick, and Carlotta Collette

Councilors Excused: Council President Tom Hughes and Councilor Carl Hosticka

Deputy Council President Rex Burkholder convened the regular Council meeting at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. CONSENT AGENDA

Motion:	<p>Councilor Shirley Craddick moved to adopt the consent agenda:</p> <ul style="list-style-type: none">• Consideration of the Minutes for Jan. 12, 2012• Resolution No. 12-4319, For the Purpose of Amending the Financially Constrained 2035 Regional Transportation Plan (RTP) and the 2010-13 Metropolitan Transportation Improvement Program (MTIP) to Add the Northbound Cornelius Pass Road to US 26 Eastbound Project.• Resolution No. 12-4320, For the Purpose of Amending the Financially Constrained 2035 Regional Transportation Plan (RTP) and the 2010-13 Metropolitan Transportation Improvement Program (MTIP) to Add the Construction of the Sellwood Bridge Replacement Project.• Resolution No. 12-4321, For the Purpose of Amending the Financially Constrained 2035 Regional Transportation Plan (RTP) to Add the City of Portland Bikeshare Project and to Remove the Allen Boulevard and Nimbus Avenue Extension Projects.• Resolution No. 12-4323, For the Purpose of Amending the 2010-13 Metropolitan Transportation Improvement Program (MTIP) to Add the City of Portland Peer-to-Peer Carsharing Project.• Resolution No. 12-4326, For the Purpose of Confirming Deidra Krys-Rusoff and Andrew Lonergan Appointments to the Investment Advisory Board.
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Vote:

Deputy Council President Burkholder and Councilors Roberts, Collette, Craddick and Harrington voted in support of the motion. The vote was 5 ayes, the motion passed.

4. ORDINANCES – FIRST READING

- 4.1 **Ordinance No. 12-1269**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule for Increased Operations, Marketing, and Communications for a new Cirque du Soleil Event to be Held at the EXPO Center.

Ordinance No. 12-1269 is scheduled for second read, public hearing and Council consideration and vote on Jan. 26, 2012. Councilor Burkholder has been assigned as carrier for the legislation.

- 4.2 **Ordinance No. 12-1270**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and the FY 2011-12 through 2015-16 Capital Improvement Plan.

Ordinance No. 12-1270 is scheduled for second read, public hearing and Council consideration and vote on Jan. 26, 2012. Councilor Kathryn Harrington has been assigned as carrier for the legislation.

- 4.3 **Ordinance No. 12-1271**, For the Purpose of Amending the F 2011-12 Budget and Appropriations Schedule Increasing a Net 0.5 FTE in the Research Center.

Ordinance No. 12-1271 is scheduled for second read, public hearing and Council consideration and vote on Jan. 26, 2012. Council President Tom Hughes has been assigned as carrier for the legislation.

5. RESOLUTIONS

- 5.1 **Resolution No. 12-4325**, For the Purpose of Metro Council's Acceptance of the Results of the Independent Audit Report for Financial Activity During Fiscal Year 2010-2011.

Motion:	Councilor Harrington moved to adopt Resolution No. 12-4325.
Second:	Councilor Carlotta Collette seconded the motion.

Councilor Harrington introduced Resolution No. 12-4325, which if approved, would accept the results of the independent audit for fiscal year 2010-11 completed by outside consultant, Moss Adams LLP. According to Metro Code, the Metro Auditor must appoint an external certified public account to conduct a certified financial statement audit. This is an annual audit. Councilor Harrington highlighted that Metro received a clean audit, meaning no notes or management response was provided by Moss Adams LLP. She emphasized that this audit reflects the great work by Metro staff.

The Metro Council received an in-depth briefing by Metro Auditor Suzanne Flynn and Moss Adams LLP staff at their Jan. 17 joint work session with MERC.

Vote:

Deputy Council President Burkholder and Councilors Roberts, Collette, Craddick and Harrington voted in support of the motion. The vote was 5 ayes, the motion passed.

6. CHIEF OPERATING OFFICER COMMUNICATION

Ms. Martha Bennett announced that Metro's Oxbow Park has been temporarily closed due to inclement weather and high water. Information on the park and updates on the park's closure are available online at www.oregonmetro.gov.

Additional updates included the grand opening ceremony and tours of the Oregon Zoo's new veterinary medical center, and her recent meetings with local elected and agency stakeholders.

7. COUNCILOR COMMUNICATION

Councilors provided updates on the Veterinary Medical Center, recent Michelle Reeves workshop in Lake Oswego, and recent Metro Technical Advisory Committee (MTAC) Seminar on using land use codes to achieve development.

8. ADIURN

There being no further business, Deputy Council President Burkholder adjourned the regular meeting at 2:22 p.m. The Council will reconvene the next regular council meeting on Thursday, Jan. 26 at 2 p.m. at the Metro Council Chamber.



Kelsey Newell, Regional Engagement Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JAN. 19, 2012

Item	Topic	Doc. Date	Document Description	Doc. Number
3.1	Minutes	1/12/12	Council minutes for 1/12/12	11212c-01

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND) ORDINANCE NO. 12-1269
APPROPRIATIONS SCHEDULE FOR)
INCREASED OPERATIONS FOR A NEW) Introduced by Martha Bennett, Chief
CIRQUE DU SOLEIL EVENT AT THE EXPO) Operating Officer, with the concurrence of
CENTER, AND FUNDING FOR IMPLEMENTING) Council President Tom Hughes
THE EXPO CENTER'S MARKETING AND)
COMMUNICATION PLAN.

WHEREAS, the Metro Council has received a recommendation from the MERC Commission to review and consider the need to increase appropriations within the FY 2011-12 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2011-12 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of providing for increased operations related to the new Cirque du Soleil event , and funding for implementing the Expo Center's marketing and communication plan.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 12-1269

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
	* Undesignated		3,871,587		0		3,871,587
	* Renewal & Replacement Reserve		12,543,636		0		12,543,636
	* Transient Lodging Tax Capital Reserve		430,310		0		430,310
	* New Capital / Business Strategy Reserve		5,100,848				5,100,848
	* Aramark Contract Capital Investment Reserve		652,366		0		652,366
	* PERS Reserve		1,991,822		0		1,991,822
GRANTS	Grants						
4120	Local Grant - Direct		46,675		0		46,675
LGSHRE	Local Gov't Share Revenues						
4130	Hotel/Motel Tax		11,155,335		0		11,155,335
GVCNTB	Contributions from Governments						
4145	Government Contributions		784,320		0		784,320
CHGSVC	Charges for Service						
4500	Admission Fees		1,880,177		0		1,880,177
4510	Rentals		7,333,144		135,539		7,468,683
4550	Food Service Revenue		11,912,662		177,886		12,090,548
4560	Retail Sales		7,000		0		7,000
4570	Merchandising		15,000		0		15,000
4575	Advertising		15,000		0		15,000
4580	Utility Services		1,578,500		0		1,578,500
4590	Commissions		1,123,500		0		1,123,500
4620	Parking Fees		2,874,555		232,816		3,107,371
4645	Reimbursed Services		2,645,172		0		2,645,172
4647	Reimbursed Services - Contract		527,989		0		527,989
4650	Miscellaneous Charges for Svc		370,050		0		370,050
INTRST	Interest Earnings						
4700	Interest on Investments		122,806		0		122,806
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		450,000		0		450,000
4760	Sponsorship Revenue		160,000		0		160,000
MISCRV	Miscellaneous Revenue						
4170	Fine & Forfeitures		1,500		0		1,500
4805	Financing Transaction		93,664		0		93,664
4890	Miscellaneous Revenue		35,926		0		35,926
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from General Fund		480,000		0		480,000
	* from Risk Management Fund		114,822		0		114,822
TOTAL RESOURCES			\$68,318,366		\$546,241		\$68,864,607
Total Personal Services		185.85	\$17,791,493	-	\$0	185.85	\$17,791,493
<u>Materials & Services</u>							
GOODS	Goods						
5201	Office Supplies		198,065		0		198,065
5205	Operating Supplies		307,112		0		307,112
5210	Subscriptions and Dues		55,295		0		55,295
5214	Fuels and Lubricants		16,600		0		16,600
5215	Maintenance & Repairs Supplies		524,140		0		524,140
5225	Retail		11,000		0		11,000

Exhibit A
Ordinance No. 12-1269

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
<i>SVCS</i>	<i>Services</i>						
5240	Contracted Professional Svcs		660,309		145,000		805,309
5245	Marketing Expense		2,642,520		0		2,642,520
5246	Sponsorship Expenditures		41,000		0		41,000
5247	Visitor Development Marketing		425,397		0		425,397
5251	Utility Services		2,636,796		0		2,636,796
5255	Cleaning Services		34,200		0		34,200
5260	Maintenance & Repair Services		1,199,660		0		1,199,660
5265	Rentals		524,700		210,425		735,125
5270	Insurance		23,700		0		23,700
5280	Other Purchased Services		387,575		0		387,575
5281	Other Purchased Services - Reimb		448,571		0		448,571
5291	Food and Beverage Services		9,501,203		126,415		9,627,618
5292	Parking Services		272,931		0		272,931
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		261,846		0		261,846
5310	Taxes (Non-Payroll)		17,000		0		17,000
<i>OTHEXP</i>	<i>Other Expenditures</i>						
5450	Travel		175,696		0		175,696
5455	Staff Development		116,514		0		116,514
5490	Miscellaneous Expenditures		3,500		0		3,500
Total Materials & Services			\$20,485,330		\$481,840		\$20,967,170
<u>Capital Outlay</u>							
<i>CAPNON</i>	<i>Capital Outlay (Non-CIP Projects)</i>						
5710	Improve-Oth thn Bldg		50,000		0		50,000
5720	Buildings & Related		685,000		50,000		735,000
5740	Equipment & Vehicles		140,000		0		140,000
5750	Office Furniture & Equip		102,000		0		102,000
<i>CAPCIP</i>	<i>Capital Outlay (CIP Projects)</i>						
5710	Improve-Oth thn Bldg		605,000		0		605,000
5720	Buildings & Related		901,000		0		901,000
5740	Equipment & Vehicles		583,366		0		583,366
Total Capital Outlay			\$3,066,366		\$50,000		\$3,116,366
Total Interfund Transfers			\$6,142,766		-		\$6,142,766
<u>Contingency and Ending Balance</u>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* General Contingency		2,299,335		0		2,299,335
	* New Capital/Business Strategy Reserve		5,334,381		(531,840)		4,802,541
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		620,500		0		620,500
	* New Capital/Business Strategy Reserve		0		546,241		546,241
	* Renewal & Replacement		12,578,195		0		12,578,195
Total Contingency and Ending Balance			\$20,832,411		\$14,401		\$20,846,812
TOTAL REQUIREMENTS		185.85	\$68,318,366	-	\$546,241	185.85	\$68,864,607

Exhibit B
Ordinance 12-1269
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
MERC FUND			
MERC	41,343,189	531,840	41,875,029
Non-Departmental			
Debt Service	0	0	0
Interfund Transfers	6,142,766	0	6,142,766
Contingency	7,633,716	(531,840)	7,101,876
Unappropriated Balance	13,198,695	546,241	13,744,936
Total Fund Requirements	\$68,318,366	\$546,241	\$68,864,607

All other appropriations remain as previously adopted

STAFF REPORT

AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE FOR INCREASED OPERATIONS FOR A NEW CIRQUE DU SOLEIL EVENT AT THE EXPO CENTER, AND FUNDING FOR IMPLEMENTING THE EXPO CENTER'S MARKETING AND COMMUNICATION PLAN.

Date: January 5, 2012

Prepared by: Cynthia Hill, 503-731-7829

BACKGROUND

In August 2011, Expo Center staff entered into negotiations with Cirque du Soleil for the presentation of a new Cirque event being brought to the Portland area. The event represents a lengthy stay exceeding three months, over fifty performances and a projected attendance base of 100,000 varied attendees that are likely new visitors to the Portland Expo Center. By October of the same year, the event had been awarded to the Portland Expo Center. Immediate preparations began agency-wide to support the event and organize for Cirque's arrival.

Initial estimates support a revenue potential of \$546,241 through rent, concessions buyouts, alcohol sales and parking. To support this new revenue opportunity, MERC is requesting a one-time transfer of \$336,840 from the Strategic Business Reserve in contingency to support the arrival and execution of this event in the following way:

- Shuttle expenses for existing events within the Cirque timeline, and during the event itself - \$78,050.
- Rental of a satellite parking lot or lots (\$37,500), and hiring of professional labor – Portland police, peer security, parking cashiers (\$57,875) related to the successful execution of a comprehensive shuttle and satellite parking operation – \$95,375.
- Specific improvements for the temporary use of the “gravel lot” located on the South end of the campus (which adds an estimated 270 new parking spaces). Including rental fencing, signage, lighting and related improvements – \$12,000.
- Targeted and specific buyouts required with Tri-Met on behalf of existing Expo clients who will be seriously inconvenienced – \$25,000.
- Support for increased and otherwise unanticipated food and beverage expenses - \$126,415.

In addition, as reported at the August 2011 MERC Commission meeting, Gard Communications presented the completed Marketing and Communications plan for the Expo Center. At the time of the report, the corresponding Website Redesign with Oak Tree Digital was nearing its final phase. The Marketing and Communications plan included a proposed budget and timeline for implementation, all of which are under review by the Expo staff.

As the Cirque event opportunity became a reality in the following months, it became clear that this type of one-time marketing opportunity exemplifies the goals and outcomes expressed in the plan. To support this unique opportunity as well as ramp-up our efforts to transition to our new branding, MERC is requesting a one-time transfer of \$195,000 from the Strategic Business Reserve to support these specific marketing and communications initiatives in the following way:

- Improved Expo re-branded signage (\$15,000), and main parking entry beautification (\$2,000) throughout the facility campus - \$17,000.
- Transit advertising (\$60,500) to advantage increased TriMet ridership targeted local print advertising – (Oregonian, Willamette Week -\$60,500) and direct mail (\$15,500) efforts - \$136,500.
- Colorful banner installations in the Expo parking lot via Elmer’s flag and banner to enhance branding impact once patrons are on site – \$6,500.
- Installation of permanent, rebranded signage on the current Expo tower which can be seen from the Interstate - \$35,000.

MERC COMMISSION RECOMMENDATION

On January 4, 2012, at its regularly scheduled meeting the MERC Commission reviewed and approved this proposal, directing staff to forward the Commission’s recommendation to the Metro Council for consideration and favorable action.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
3. **Anticipated Effects:** This action provides appropriation authority necessary to support operations, marketing and communications at the Expo Center related to the Cirque du Soleil event.
4. **Budget Impacts:** This action is estimated to generate approximately \$546,000 in additional unanticipated revenue to the Expo Center. It will require approximately \$532,000 in additional appropriation authority to provide for increased rentals, food and beverage services, and marketing/communication services. It is expected to general a net \$14,000 positive balance for the Business Strategy Reserve. If successful, the Cirque event has the potential of returning for multiple years with a much higher return on investment following these initial investments.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

BEFORE THE METRO COUNCIL

RESOLUTION DESIGNATING THE OREGON) RESOLUTION NO. 12-4327 - A
CONVENTION CENTER ENHANCED)
MARKETING INITIATIVE PROJECT AS A) Introduced by Council President Tom Hughes
COUNCIL PROJECT; ASSIGNING A LEAD)
COUNCILOR AND COUNCIL LIAISON AND
DIRECTING STAFF TO COMPLETE PHASE I
SCOPE OF WORK

WHEREAS, the Metro Council is responsible for the operation of the Metropolitan Exposition and Recreation Commission (MERC), including the Oregon Convention Center (OCC); and

WHEREAS, the mission of the OCC is to maximize economic benefits for the metropolitan region and the state of Oregon, while protecting the public investment in the facility; and

WHEREAS, the cumulative economic effects of the OCC from 2001 to 2011 amount to over \$4 billion in regional spending, support of 51,530 full and part-time jobs in the Tri-County metropolitan region, and the generation of \$150 million in state and local tax revenues, according to independent consulting firms KPMG and Crossroads Consulting; and

WHEREAS, METRO and MERC are responsible for ensuring the OCC operates in a fiscally-responsible manner; and

WHEREAS, METRO and MERC have considered multiple new initiatives to operate the OCC in a fiscally responsible manner, while continuing to support the OCC mission of maximizing the regional economic impact of the OCC; and

WHEREAS, the development of an appropriate block of hotel rooms in the immediate area of the OCC remains the most significant beneficial action to enhance the ability to attract additional national convention business to OCC; and

WHEREAS, in October 2011, MERC requested that METRO reconsider a convention center hotel project to enable OCC to remain competitive with its peer convention centers; and

WHEREAS, on November 30, 2011, METRO discussed this concept at its Budget Retreat and on January 17, 2012, METRO/MERC held a joint work session to explore a strategic but different initiative for OCC hotel room block development and concluded by directing staff to return to METRO with a resolution designating the Enhanced Marketing Initiative as a Council Project; and

WHEREAS, METRO further directs staff to complete the Phase I Assessment Scope of Work as described in the Staff Report and return to Council prior to implementation actions due to a variety of policy and economic and financial feasibility questions; and

WHEREAS, the Council President, working with members of the Council, will designate councilors to play lead and liaison roles; now therefore

BE IT RESOLVED:

That the Metro Council hereby designates the Oregon Convention Center Enhanced Marketing Initiative as a Metro Council Project, consistent with the attached "EXHIBIT A" – Metro Council Project Proposal/Work Plan; and that Metro Council President Tom Hughes is hereby designated as lead Metro Councilor and that Metro Councilor Rex Burkholder is hereby designated Metro Council Liaison on this Project.

ADOPTED by the Metro Council this 26th day of January 2012.

Tom Hughes, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

By _____

Metro Council Project Proposal / Work Plan

Part One: Council Project Proposal

- 1) Project Title – Oregon Convention Center Enhanced Marketing Initiative – Phase I/Assessment**

- 2) Lead Councilor – Tom Hughes**

- 3) Council Liaisons – Rex Burkholder**

- 4) Project Begin Date – January 26, 2012**

- 5) Estimated Date of Completion – Phase I: Assessment - April 30, 2012**

- 6) Project Description (What issue/problem will be addressed?)**

Background:

In 2007, Metro Council adopted Resolution 07-3772 which designated the Oregon Convention Center (OCC) headquarters hotel project as a Council project and assigned Councilor liaisons. Metro assumed a leadership role from the Portland Development Commission to develop a 600-room, publicly-owned headquarters hotel, with a room block of 500 rooms. During the course of a two-and-a-half-year period, Metro developed a deep and thorough understanding of the marketing and financial dynamics of a headquarters hotel. The effort to develop the headquarters hotel was terminated in September 2009 by Metro and its public partners, the City of Portland and Multnomah County, due to unfeasible economic conditions.

Since 2009, the OCC and its national sales and marketing partner, Travel Portland, focused on a variety of alternative strategies to remain competitive among comparable cities and convention centers. Despite marked improvements in client amenities and widespread recognition of Portland as a popular business and leisure travel destination,

the lack of quality blocks of hotel rooms nearby the convention center continues to be the main reason clients choose cities other than Portland.

Last May, in response to interest expressed by hoteliers, property owners/developers and various business and political leaders, the Council and Metropolitan Exposition Recreation Commission (MERC), directed staff to evaluate local and national market, financial and industry conditions to determine if circumstances had improved for expanding hotel room blocks near the convention center. The results of those findings were discussed by the Council and MERC on January 17, 2012.

Problem to be addressed:

The Portland region continues to lose national convention business due to the insufficient and inconvenient hotel room package currently offered to attendees. In 2011, 30 conventions considered Portland but chose other regions for this reason, according to Travel Portland.

Currently, OCC and Travel Portland create room-block packages from multiple hotels in the central city, tailored to the needs of individual conventions. When the local hotels are willing to commit room blocks, the challenge remains that rooms are not adjacent to the OCC and scattered geographically among several hotels, requiring many more separate contracts between meeting planners and hotels than in Portland's competitive set, inducing most meeting planners to forgo the OCC.

Because national conventions represent the most lucrative type of business for the OCC, compared to local events and meetings that fill the building in lieu of national conventions, the facility faces a long-term trend of underutilization, which results in lower operating revenues, fewer jobs supported, less direct and indirect spending and reduced tax revenues for the state and tri-county region.

The OCC Enhanced Marketing Initiative Phase I/Assessment provides that Metro staff engage its jurisdictional partners and potential private sector interested parties to determine what options exist, if any, for adding blocks of hotel rooms within the vicinity of the OCC to serve convention clients.

PROJECT PROPOSAL

The OCC Enhanced Marketing Initiative formalizes the Council's leadership to pursue a range of public/private alternatives that enhance the OCC's marketability to its national clients, including the addition of quality hotel room blocks. Phase I: Assessment directs staff to engage Metro's partners, assess alternatives and provide recommendations to Council for feedback and direction.

Phase I: Assessment

At the direction of Council President Hughes, Council liaison Rex Burkholder, and the MERC liaison, staff will work with other public partners to develop a framework agreement for the OCC Enhanced Marketing Initiative project. Public partners include Multnomah County, the City of Portland, the Portland Development Commission and,

potentially, the State of Oregon. This framework agreement will be presented to Council and MERC. If the Council believes that there is merit to proceed with the project, it will direct staff to develop Phase II: Implementation for consideration.

The Phase I: Assessment will include the following:

1. Define project scope, approach and parameters for creating options, including new hotel room blocks, with public partners.
2. Define project(s) and potential financial commitments each jurisdiction can contribute.
3. Report findings and submit project options to Council and MERC for review and approval.
4. If approved, prepare and negotiate a Memorandum of Understanding summarizing the project scope, schedule, range of financing commitments and roles and responsibilities of each entity, with Metro serving as the lead partner.
5. Present Memorandum of Understanding to MERC and Council for approval and authorization to develop Phase II for consideration.

7) Policy Questions (What major policy questions must be answered?)

1. Is there sufficient support and interest among jurisdictional partners to consider nearby hotel room block development?
2. Is there sufficient support and interest among property owners and developers to consider nearby hotel room block development?

8) Outcomes (What must be in place for policy development to be considered complete?)

1. Secure a minimum room block(s) commitment of 500 or more quality rooms and associated amenities directly adjacent that support the convention business.

9) Connection to Council Goals and Objectives

The OCC Enhanced Marketing Initiative connects to 3 Council goals in the following ways:

Great communities – Maintaining the city’s competitiveness for national and international visitors supports the long-term health of the OCC, ensures that a diversity of tourists continue to visit the city and provide international exposure, enhances neighborhood and regional vibrancy and supports local jobs.

Vital economy – Attracting national conventions draws visitors who spend hundreds of millions of dollars each year in Tri-County businesses and beyond.

Responsible operations – As stewards of the public’s facilities, investing in the OCC’s long-term financial viability through focusing on its most lucrative clients - national conventions – ensures the future maintenance and use, as well as the significant regional economic impact, of the building.

10) Resources Required / Budget Implications

It is assumed that any resources required for this effort in FY 12 will be accommodated within existing budget. A project budget for FY 13 is in the proposal process.

End Here for Council Project Proposal – This Portion is Adopted by Resolution

- Part Two: Work Plan Element -

Complete this portion after the council project is approved by resolution.
This element is presented to council for approval by motion.

11) Project Manager

Teri Dresler, General Manager, Visitor Venues

12) Metro Role (What is Metro's role and the role of Metro councilors?)

Metro will serve as the project lead and the project manager and staff team will regularly engage and take direction from Council President Hughes and Councilor Burkholder through one-on-one briefings, etc.

13) Stakeholders (Who are the major stakeholders and implementing parties? How will stakeholders and the public participate in the project?)

Phase I: Multnomah County, City of Portland and Portland Development Commission

14) Major Milestones

At the completion of Phase I: Assessment, and no later than April 30, 2012, staff will present findings and recommendations for Council and MERC consideration.

15) Communications (What is the communications plan? If incomplete, how and when will it be developed?)

Communications efforts are coordinated through the staff project team; a communications plan will be developed upon the Council's adoption of the OCC Enhanced Marketing Initiative.

16) Staff Work Products (What will be produced by Metro staff, consultants, or staff from other organizations?)

Work Elements and Products	Responsible Party	Due Date	FTE	M&S	Total \$
Recommendations and options for creating hotel room blocks with public partners	Metro staff	April 30, 2012	Project team	Existing funds	NTE \$40,000

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4327-~~A~~, A RESOLUTION OF METRO COUNCIL, DESIGNATING THE OREGON CONVENTION CENTER ENHANCED MARKETING INITIATIVE AS A COUNCIL PROJECT; ASSIGNING A LEAD COUNCILOR AND COUNCIL LIAISON AND DIRECTING STAFF TO COMPLETE PHASE I SCOPE OF WORK

Date: January 26, 2012
Prepared by: Cheryl Twete

BACKGROUND

In 1986 voters approved \$90 million of general obligation bonds to finance the development of the Oregon Convention Center. The OCC opened in 1990 with a mission to maximize economic benefits for the metropolitan region and the State of Oregon. Conventions and trade shows generate positive economic impacts because they attract out-of-town visitors who spend new money in the local economy on convention activity, hotels, restaurants, shopping and tourism.

After more than a decade of high occupancies, the OCC was expanded in 2001-03 at a cost of more than \$110 million in order to enhance the meeting and ballroom package to attract larger national conventions and events. At this same time, the Portland Development Commission continued its efforts to develop an adjacent convention center hotel, which was the OCC Urban Renewal Area's top public priority.

In 2007, Metro Council adopted Resolution 07-3772 which designated the OCC headquarters hotel project as a Council project and assigned Councilor liaisons. Metro assumed a leadership role from the Portland Development Commission to develop a 600-room, publicly-owned headquarters hotel, with a room block of 500 rooms. During the course of a two-and-a-half-year period, Metro developed a deep and thorough understanding of the marketing and financial dynamics of a headquarters hotel. The effort to develop the headquarters hotel was terminated in September 2009 by Metro and its public partners, the City of Portland and Multnomah County, due to unfeasible economic conditions.

Today, the OCC continues to be recognized by the international convention industry as a beautiful, high-quality convention and exhibition facility and a leader in sustainable business practices. In addition, Portland is considered a highly desirable visitor destination for both business and leisure travel because of the nearby outdoor recreational opportunities, natural beauty and aesthetics, world renowned restaurants, microbreweries, wineries and distilleries, and active art and innovation business sectors.

Despite the destination's wide appeal and attractiveness, and the interest among national convention attendees to meet in Portland, the city continues to lose national convention business due to the insufficient and inconvenient hotel room package currently offered to attendees. Instead, these potential clients choose comparable-sized cities and facilities that can offer an important amenity Portland and the OCC do not: nearby large blocks of hotel rooms.

According to Travel Portland, the OCC's national marketing partner, the primary reason national conventions choose not to book at the OCC is the lack of nearby hotel room blocks. In calendar year 2011 alone, 30 convention and meeting planners cited the lack of nearby large hotel room blocks as the only reason for choosing other cities over Portland.

In an effort to compensate for this deficiency, Travel Portland works diligently on behalf of the OCC to create room-block packages from multiple hotels in the central city, tailored to the needs of individual conventions. When the local hotels are willing to commit room blocks, the challenge remains that rooms are not adjacent to the OCC and scattered geographically among several hotels. A further complication for meeting planners is the requirement to contract separately with each hotel for the room block commitments. Unfortunately, oftentimes, downtown and Lloyd District hotels are unwilling to commit the room blocks necessary to meet the needs of national convention planners.

Because national conventions represent the most lucrative type of business for the OCC, compared to local events and meetings that fill the building in lieu of national conventions, the OCC is facing a long-term trend of facility underutilization, which results in lower operating revenues, fewer jobs supported, less direct and indirect spending and reduced tax revenues for the state and tri-county region.

Past efforts to address the lack of hotel room blocks within the OCC's vicinity included the commissioning of several marketing and economic studies that informed the project's feasibility analysis and guided decision-makers. Staff believes that this past work generally provides sufficient understanding and baseline information to proceed with discussions and exploration of a modified room-block approach. As was described at the November 30, 2011 Metro Council budget retreat, hotel market, construction costs and financing conditions have all improved since 2009, creating a more advantageous environment to consider hotel room development in proximity to the OCC.

The recently completed Metro Visitor Venues Economic and Fiscal Impact Analysis report for FY 2011 again documents the economic significant of OCC. The OCC had a regional economic impact of \$450 million, generating \$261 million of direct convention spending, creating 4,260 jobs and \$15.5 million of tax revenue in the State of Oregon.

In March 2011, clients and stakeholders of the OCC, through its Advisory Committee, expressed in a letter to the Metropolitan Exposition Recreation Commission (MERC), support for strategies to ensure the long-term business viability of the facility, including strategic investments that enhance the number and quality of nearby hotel room blocks.

In October 2011, the Metropolitan Exposition and Recreation Commission requested that Metro Council initiate a formal project to enhance the OCC's marketability and competitiveness through creation of nearby quality hotel room blocks.

At its November 30, 2011, budget retreat, Council considered the MERC request and received updated information on hotel market, financial, construction and political conditions. Council concurred that the improved conditions warranted a joint briefing of the Council and MERC on the details of the improved conditions.

On January 17, 2012, the Council and Commission directed staff to prepare a resolution to authorize further exploration of the conditions listed above and to prepare a work plan that

includes regular check-in points with both bodies to gauge support, solicit feedback and determine immediate next steps, should conditions warrant it, to pursue opportunities to enhance the competitiveness and marketability of the OCC through a range of options, including the creation of nearby blocks of quality hotel rooms to serve convention attendees.

| Therefore, this Resolution 12-4327-~~A~~ and this Report respond to Council's direction and authorize the following: 1) designation of the OCC Enhanced Marketing Initiative as a formal Council project; 2) assignment of Council President Hughes as project lead and Councilor Rex Burkholder as project liaison, working closely with MERC designated liaisons Chair Judie Hammerstad and Commissioner Elisa Dozono; and 3) proceeding with Phase I of the project proposal (see below).

PROJECT PROPOSAL

The following proposal describes a possible approach for the OCC Enhanced Marketing Initiative.

Phase I: Assessment

| Upon approval of Resolution 12 -4327-~~A~~, staff will work with other public partners to develop a framework agreement for the OCC Enhanced Marketing Initiative project. Public partners include Multnomah County, the City of Portland, the Portland Development Commission and, potentially, the State of Oregon. This framework agreement will be presented to MERC and Council in spring 2012 for consideration, feedback and decision-making. If the Council believes that there is merit to proceed with the project, it will direct staff to develop Phase II: Implementation.

Phase I will include the following:

1. Define project scope, approach and parameters for creating options, including new hotel room block, with public partners.
2. Define project and financial commitments each jurisdiction can contribute.
3. Report findings and submit project options to Council and MERC for review and approval.
4. If approved, prepare and negotiate a Memorandum of Understanding summarizing the project scope, schedule, financing obligations and roles and responsibilities of each entity, with Metro serving as the lead partner.
5. Present Memorandum of Understanding to MERC and Council for approval and authorization to develop Phase II for consideration.

KNOWN OPPOSITION

At this early stage of the potential project, there is no known opposition to this approach. However, given previous opposition to the publicly-owned headquarters hotel project in 2007-09, there could be concerns from lodging-industry stakeholders. Creating an open and transparent public communication and outreach strategy will be essential to the success of the project.

LEGAL ANTECEDENTS

| Staff Report, Resolution No. 12-4327-~~A~~

Marketing of the OCC is a necessary part of the Metro's charter authority to operate public cultural, trade, conventional and exhibition facilities, Metro Charter Section 6.

BUDGET IMPACTS

The budget impacts of this resolution are staff and Councilor time, plus professional services in the form of potential updated market and financial studies, legal services and communication strategy services, paid for by FY 2011-12 designated funds. Approval for FY 2012-13 funds will be subject to Council approval. This resolution does not seek authorization of any specific agreements, nor does it obligate Metro to commit any hard costs to the Project.

ANTICIPATED EFFECTS

| Adopting Resolution No. 12-4327-[A](#) would authorize Metro to investigate the Enhanced Marketing Initiative effort for the Oregon Convention Center. The resolution would authorize Metro staff to further research feasibility of the Project and report findings and recommendations to Council for review and approval.

RECOMMENDED ACTION

The Office of the Chief Operating Officer recommends adoption of this resolution.