

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

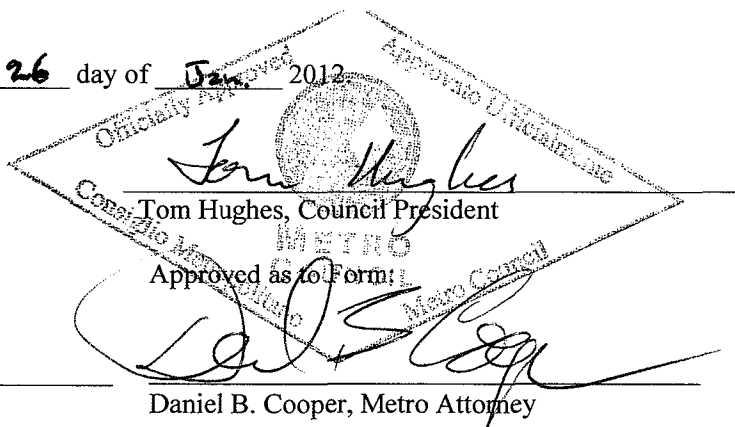
WHEREAS, the need for the increase of appropriation has been justified; and

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 26 day of Jan, 2012



 Tom Hughes, Council President

 Daniel B. Cooper, Metro Attorney

Attest:



 Kelsey Newell, Recording Secretary

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.