BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN)	RESOLUTION NO. 13-4464
AGREEMENT BETWEEN THE TRI-COUNTY)	
METROPOLITAN TRANSPORTATION)	Introduced by Chief Operating Officer Martha
DISTRICT OF OREGON (TRIMET) AND)	Bennett in concurrence with Council
METRO FOR PURCHASE OF CONVENTION)	President Tom Hughes
EVENT PASSES)	_

WHEREAS, Metro owns and operates the Oregon Convention Center ("OCC") and does so through the expertise and oversight of the Metropolitan Exposition Recreation Commission;

WHEREAS, Metro wants to invest in the promotion of the OCC as a preferred destination for conventions, which contributes to the economic prosperity of the Portland metropolitan region;

WHEREAS, TriMet owns and operates the public mass transit system serving the metropolitan Portland region, the facilities and services of which contribute to Portland desirability as a convention destination;

WHEREAS, Metro desires that TriMet provide convention event passes to address convention travel needs to promote the marketability of Portland as a preferred convention destination;

WHEREAS, Metro, the City of Portland and Multnomah County have entered into a Visitors Facilities Intergovernmental Agreement that allocates Visitor Development Trust Fund Account funds, as implemented through the Visitors Development Fund, Inc. which includes long term funding for the purchase of convention event passes;

WHEREAS, Metro staff and TriMet have agreed to the terms of the Agreement between the Tri-County Metropolitan Transportation District of Oregon and Metro for Purchase of Convention Event Passes ("the Agreement") attached as Exhibit A to this Resolution;

WHEREAS, Metro has authority to enter into this Agreement pursuant to ORS 268.300 and ORS Chapter 190 and TriMet has authority pursuant to ORS 267.200 and ORS Chapter 190.

NOW THERFORE,

BE IT RESOLVED that the Metro Council approves the Agreement in a form substantially similar the attached Exhibit A and authorizes the Chief Operating Office to execute the Agreement on behalf of Metro.

ADOPTED by the Metro Council this _3 day of October 2013. APPROVED

Tom Hughes Tourcil President

CONSIGNATION

Approved as to Form:

Alison R. Kean, Metro Attorney

AGREEMENT BETWEEN THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AND METRO FOR PURCHASE OF CONVENTION EVENT PASSES

This Agreement ("Agreement") is entered into effective July 1, 2012, between the Tri-County Metropolitan Transportation District of Oregon ("TriMet"), an Oregon mass transit district, and Metro, an Oregon municipal corporation, each of which are referred to herein individually as "Party" or together as the "Parties."

RECITALS

- Metro is responsible for the ownership and operation of the Oregon Convention Center (OCC) and does so through the expertise and oversight of the Metropolitan Exposition and Recreation Commission.
- Metro desires to invest in promoting the desirability of the OCC as a preferred destination for conventions, which contributes to the economic prosperity of the metropolitan Portland region.
- TriMet owns and operates the public mass transit system serving the metropolitan Portland region, the facilities and services of which contribute to Portland's desirability as a convention destination.
- 4. In an effort to promote continued marketability of Portland as a preferred convention destination, Metro desires to purchase TriMet convention event passes to address convention travel needs to the extent such fares are available from TriMet.
- Metro, the City of Portland and Multnomah County have entered into a Visitors Facilities Intergovernmental Agreement (the "VDI Agreement") that allocates Visitor Development Trust Fund Account ("VDTFA") funds, as implemented through the Multnomah County Code, through the Visitors Development Fund, Inc. ("VDFI") which includes funding for the purchase of passes under this Agreement.
- Metro has authority to enter into this Agreement pursuant to ORS 268.300 and ORS
 Chapter 190. TriMet has authority to enter into this Agreement pursuant to ORS 267.200 and ORS Chapter 190.
- 7. The Parties desire to enter into an agreement to define their respective roles with respect to such cooperative effort.

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties agree as follows:

AGREEMENT

1. Purpose of Agreement

This Agreement defines the rights and responsibilities of the Parties with respect to Metro's purchase of TriMet convention Event passes ("Passes"). The continuation of this Agreement after the first year ending June 30, 2013, is contingent upon Metro's securing of funding either

under the VDI Agreement as implemented by the Multnomah County Code or from another funding source as otherwise set forth in this Agreement.

2. Convention Event Passes

The Parties agree that the following conditions apply to Metro's purchase of Passes under this Agreement:

- A. TriMet ("Passes") purchased by Metro shall be for events that use the OCC and book hotel rooms through Travel Portland, commensurate to the payment levels provided by Metro set forth in Paragraph 3 below. Only "city-wide" events where TriMet transit system use is required are included under this Agreement.
- B. Metro, through Travel Portland, shall place orders for Passes to TriMet, indicating date of event, number of attendees and the date needed. Orders require a minimum of four weeks prior notice. Metro and TriMet shall establish an order and fulfillment process for delivery of Passes to Metro.
- C. Passes shall be valid fare for travel all hours on the day(s) of the event printed on the Pass as adopted by the TriMet Board of Directors (Board). For multi-day conventions, Passes shall be printed to expire on the last day of the event (e.g., events scheduled for four days shall be printed to be valid through the fourth day). Notwithstanding the foregoing, Pass pricing, terms of use and availability are subject to Board adopted ordinances in effect during the term of this Agreement.
- D. Metro shall be responsible for distribution of Passes purchased to the conventions. Metro, through Travel Portland, shall track and maintain complete records of the number of convention attendees and the days per convention, and provide such information to TriMet on an annual basis.
- E. The Parties recognize that Travel Portland acts as Metro's agent for booking conventions at the OCC and coordinating with convention planners. Travel Portland shall be considered as Metro's agent for the purpose of ordering and receiving Passes from TriMet in accordance with this Paragraph 2.

3. Payment

Payment for Passes shall be as set forth below:

A. For the period of July 1, 2012 through June 30, 2013, TriMet shall receive the amount of \$381,600, which amount will be disbursed to TriMet from the Visitor Development Trust Fund Account ("VDTFA") through Multnomah County pursuant to the Multnomah County Code. In the event TriMet is not compensated from the VDTFA in that amount during this period, or TriMet is required to pay to any third party any amounts arising out of use of the VDTFA funds, Metro shall indemnify and hold harmless TriMet for the full amount due to TriMet from the VDTFA as set forth in this Paragraph A. In such event, Metro shall fully indemnify TriMet within thirty (30) days of written notice from TriMet. Metro's indemnity obligation hereunder shall survive termination or expiration of this Agreement.

- B. For the four -year period of July 1, 2013 through June 30, 2017, Metro shall pay annually to TriMet the amount of \$386,252.00 payable from the VDFTA, increased on July 1 of each subsequent year by the rate of inflation in Portland as measured by the most recent Portland CPI-U, as issued by the U.S. Department of Labor, Bureau of Labor Statistics, for the most recent 12-month calendar year period, or a comparable measure of price change should this index not be available, for Passes. Annual payments to TriMet for the period of July 1, 2013 through June 30, 2017 shall be due in two equal payments in January and July of each year. This funding is based upon an estimated average of 50% Pass use rate multiplied by the number of conventioneer days and Passes distributed, based on an analysis by Metro. Metro shall not be required to pay any additional funds for this four-year period. TriMet shall invoice Metro for the January and July payments, which payment shall be due from Metro within thirty (30) days from the date of TriMet's invoice.
- C. (1) For Years 6 (Year 6 commencing on July 1, 2017) and beyond, the annual payment amount due from Metro shall be adjusted based on one of the following existing conditions:
 - a. If electronic fare collection data is not available, the payment shall be based on the number of Passes ordered for convention event attendees multiplied by the actual hotel room occupancy data provided by Metro (Attendance Distribution Factor, expressed as a percentage) which shall be recalculated annually based on the prior 12 month period multiplied by the applicable Board adopted convention Event Fare pass price.
 - b. If electronic fare collection data is available, the payment shall be based on the actual number of passes used for each day multiplied by the applicable Adult Day Pass price.
 - (2) Metro shall make full payment of the annual amount due for the Passes in two payments to TriMet, in January and July of each year. TriMet shall invoice Metro for the January and July payments, which payment shall be due from Metro within thirty (30) days from the date of TriMet's invoice.
- D. (1) In the event this Agreement is terminated for convenience by either of the Parties (pursuant to Paragraph 4 General Provisions, subparagraph (C)(2)), Metro shall pay TriMet the full amount due as set forth in this subparagraph D. If this Agreement is terminated for convenience during the four-year period of July 1, 2013 through June 30, 2017, Metro's annual payment due TriMet shall be prorated based on the number of months remaining in the Agreement prior to the effective date of termination. If this Agreement is terminated for convenience during Year 6 and beyond, Metro shall make payment in full to TriMet as provided in subparagraph (C)(1) above for Passes purchased for events held up to the effective date of termination. Metro's payment shall be due within 30 days of the date of TriMet's invoice.
 - (2) The Parties recognize that OCC events are scheduled up to five (5) years in advance, so for any events that are booked through the OCC (by signed license agreement and deposits) prior to the date the terminating Party issues its termination notice, Metro may elect to purchase Passes for such events subject to the payment terms of subparagraph (C)

- (1) above, for a period of five (5) years from the date of the notice of termination. In the event Metro elects to purchase Passes for such booked OCC events, Metro shall provide TriMet written notice of such election with a listing of the booked OCC events within 3 (three) business days of the date of the notice of termination. Metro shall pay TriMet for Passes purchased by Metro for such booked events within 30 days after the date of TriMet's invoice, which shall be on a quarterly basis. All provisions of this Agreement shall remain in full force and effect until Metro makes the final payment due to TriMet for such booked events.
- E. All terms of Paragraph 2 above are applicable to purchases of Passes by Metro under this Paragraph 3. TriMet will provide advance notice to Metro of TriMet Board meetings at which the Board is scheduled to consider taking formal action to adopt a fare change that would impact Metro's payment rates for this Agreement.
- F. TriMet reserves the right in its sole discretion to cease distribution of Passes to Metro in the event payments are not made in accordance with this Agreement.
- G. Metro shall be solely responsible for all payments due to TriMet, irrespective of funding source. If sufficient funds from the VDTFA are not available for Metro to pay the required payments under this Paragraph 3, Metro may either (i) secure additional funding in order to continue to purchase Passes under this Agreement or (ii) elect to purchase a reduced number of Passes equal to the amount of funding available.
- H. Metro's obligations to pay TriMet for any Passes issued to Metro during the term of this Agreement shall survive expiration or termination of this Agreement for any reason, and shall be paid in full to TriMet within 30 days of such expiration or termination.

4. General Provisions

A. Relationship of the Parties

Each of the Parties hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee or contractor of one Party shall be deemed to be an employee, agent or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between or among the Parties any relationship of principal and agent, partnership, joint venture or any similar relationship, and each Party hereby specifically disclaims any such relationship.

B. Liability

- (1) Within the provisions and limits of liability set forth in the Oregon Tort Claims Act, codified at ORS 30.260 t hrough 30.300, TriMet shall indemnify, defend and hold harmless, Metro and its respective directors, officers, employees and agents from and against all claims, demands, penalties, and causes of action of any kind or character arising from this Agreement on account of personal injury, death or damage to property, which arise out of the acts or omissions of TriMet, its directors, officers, employees or agents.
- (2) Within the provisions and limits of liability set forth in the Oregon Tort Claims Act, codified at ORS 30.260 through 30.300, Metro shall indemnify, defend and hold harmless, TriMet and its respective directors, officers, employees and agents from and against all claims, demands, penalties, and causes of action of any kind or character arising from this Agreement on account of personal injury, death or damage to property, which arise out of the acts or omissions of Metro, its directors, officers, employees or agents.
- (3) The obligations assumed by the Parties under this subparagraph (B) shall survive the termination or expiration of this Agreement.

C. Termination

- (1) This Agreement may be terminated by mutual written agreement of the Parties.
- (2) This Agreement may be terminated by either Party for convenience upon 180 days prior written notice to the other Party.
- (3) This Agreement may be terminated by a Party as a result of a material breach by the other Party of an obligation under this Agreement. Prior to such a termination, the terminating Party must provide the Program Manager of the other Party sixty (60) calendar days written notice of the material breach, including a detailed explanation of the breach and during which period or such longer period set forth in the notice, the breaching Party may cure the material breach ("Cure Period"). If at the end of the Cure Period the breaching Party has not cured the default, the terminating Party may terminate this Agreement for default.

D. Inspection of Records

Each Party shall have the right to inspect, at any reasonable time, such records in the possession, custody or control of the other Party necessary for review of the other Party's obligations and rights under this Agreement. The cost of such inspection shall be borne by the inspecting Party. This right does not extend to records privileged or otherwise exempt from disclosure under applicable law. Any Party required under this Agreement to create or develop records must maintain those records for inspection pursuant to this Paragraph D for six (6) years from termination or expiration of this Agreement.

E. Successors; No Assignment

The benefits conferred by this Agreement and the obligations assumed hereunder, shall inure to the benefit of and bind the successors of the Parties. The rights and obligations of each Party under this Agreement may not be assigned in whole or in part without the prior written consent of the other Parties.

F. Choice of Law; Place of Enforcement

This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon. The venue for any litigation relating to interpretation or enforcement of this Agreement shall be in Multnomah County, Oregon.

G. Amendments

This Agreement may only be amended by means of a writing signed by an authorized representative of each of the Parties hereto. No amendment to any provision of this Agreement shall be implied from any course of performance, any acquiescence by a Party, any failure of a Party to object to the other Party's performance or failure to perform, or any failure or delay by a Party to enforce its rights hereunder.

H. Integration

This document constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes all prior or contemporaneous written or oral understandings, representations or communications of every kind. No course of dealing between the Parties and no usage of trade will be relevant to supplement any term used in this Agreement.

I. Interpretation of Agreement

This Agreement shall not be construed for or against a Party by reason of the authorship or alleged authorship of any provision. The paragraph headings contained in this Agreement are for ease of reference only and shall not be used in constructing or interpreting this Agreement.

J. Severability/Survivability

If any clause, sentence or portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.

K. Laws and Regulations

The Parties agree to abide by all applicable laws and regulations in carrying out this Agreement.

L. Waivers

No waiver by a Party of any provision of this Agreement shall be of any force or effect unless in writing. Except as otherwise provided herein, no waiver made by a Party with respect to the performance, or manner or time thereof, or obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party

making the waiver or a waiver by the other Party not joining in such waiver, and no such waiver shall be construed to be a continuing waiver.

M. Program Managers

1. TriMet hereby appoints the person identified below to act as its Program Manager with regard to this Agreement:

Tom Strader Senior Fare Policy Analyst TriMet 1800 SW 1st Avenue, Suite 300 Portland OR 97201 Telephone: (503) 962-6424

Facsimile: (503) 962-6451

TriMet may, from time to time, designate another person to act as TriMet's Program Manager and may specify other contact information for its Program Manager by means of a writing delivered to Metro's Program Manager.

2. Metro hereby appoints the person identified below to act as its Program Manager with regard to this Agreement:

Scott Cruickshank
Executive Director Oregon Convention Center
777 NE Martin Luther King Jr Blvd
Portland, OR
Telephone: (503) _____
Facsimile: (503) _____

Metro may, from time to time, designate another person within Metro to act as Metro's Program Manager and may specify other contact information for its Program Manager by means of a writing delivered to TriMet's Program Manager.

N. Notices

Any notice or communication under this Agreement shall be deemed received by the addressee on the earliest to occur of:

- 1. The date such notice is hand-delivered to the notice address of the addressee; or
- 2. If such notice is transmitted by email, telecopy or facsimile machine to the fax number of the addressee specified as part of the notice address, then:
 - a. If such notice is transmitted during regular business hours, 8:00 a.m. to 5:00 p.m.
 Pacific Time, on a mail delivery day, such notice shall be deemed to be delivered on the date it is so transmitted; and

- b. If such notice is not transmitted during such regular business hours, or is transmitted on a date that is not a mail delivery date, such notice shall be deemed delivered on the next mail delivery day following the date upon which the same was transmitted; or
- c. If sent to the addressee's notice address through the United States Postal Service, postage prepaid, and the third mail delivery day following the date upon which the envelope containing such notice is postmarked.

The notice address of each Party is set forth above in Paragraph M. A Party may change the foregoing notice address by giving prior written notice thereof to the other Party at its notice address

O. Headings

Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

P. No Third Party Beneficiaries

The Parties intend that the rights, obligations and covenants in this Agreement shall be exclusively enforceable by the Parties. There are no third party beneficiaries to this Agreement, either express or implied.

O. Mediation

The Parties shall negotiate in good faith to resolve any dispute arising under this Agreement. If the Parties are not able to resolve a dispute within forty-five (45) days after such dispute has arisen, they shall submit the matter to mediation. The mediation shall be conducted in Portland, Oregon, in accordance with such procedures, and on such time schedules as the Parties shall mutually agree. The mediator shall be selected by mutual agreement of the Parties, or if the Parties cannot agree, each party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. Mediators' fees shall be shared equally between the Parties. Each Party shall bear its own costs and expenses in connection with the mediation. Each Party shall participate in such mediation in good faith, but nothing in this Agreement shall preclude a Party from exercising its rights as provided by law in the event mediation is unsuccessful. The Parties shall continue in the performance of their respective obligations under this Agreement notwithstanding the dispute. This dispute resolution procedure may be modified by mutual agreement of the Parties.

R. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and such counterparts shall constitute one and the same instrument.

S. Term

This Agreement shall commence on July 1, 2012 and remain in effect until terminated or expired under the provisions of this Agreement.

The individuals signing below represent and warrant that they have authority to bind the party for which they sign.

METRO	TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET)
Ву:	By:
Date:	Date:
Approved as to Form:	Approved as to Form:
By:	By:
Office of Metro Attorney	TriMet Legal Department

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4464, FOR THE PURPOSE OF APPROVING AN AGREEMENT BETWEEN THE TRI-COUNTY METROPOLITAN TRANSPORATION DISTRICT OF OREGON (TRIMET) AND METRO FOR PURCHASE OF CONVENTION EVENT PASSES

Date: October 3, 2013 Prepared by: Teri Dresler

503-797-1790

BACKGROUND

In 2001, Metro, the City of Portland and Multnomah County entered into the Visitor Facilities Intergovernmental Agreement (VF IGA) to allocate Visitor Facilities Trust Account (VFTA) funds towards visitor facility improvements and tourism promotion efforts. The VFTA fund is comprised of 2.5% of the total transient lodging and vehicle rental taxes collected in Multnomah County.

The VF IGA designated a list of VFTA funding priorities, including operational support and bond payments for the Oregon Convention Center and Portland'5 Centers for the Arts. It also funded one-third of the costs to provide free transit service through TriMet's Fareless Square program beyond the downtown city core into the Lloyd District neighborhood. The remaining two thirds were covered equally by TriMet, through its administration of the program, and the City of Portland through a portion of revenues collected from parking meters along streets within the Lloyd District Transportation Management Association (TMA) boundaries.

Offering free transit for convention attendees who lodge in downtown hotels but attend events at the OCC has been an essential and successful marketing tool when competing against cities for national convention business.

TriMet eliminated the Fareless Square program on September 1, 2012, and the City of Portland ceased participation in the program on July 1, 2012. Since that time, TriMet, Metro and the OCC's national convention sales and marketing agent, Travel Portland, have operated an interim program to fund transit passes for attendees of city-wide conventions held at the OCC. In FY 2012-13, \$381,600 in existing Fareless Square VFTA funds were allocated for this purpose.

On a parallel track, the parties negotiated an agreement governing the program and funding elements for the Convention Event Pass Program for future years, which is outlined in the Agreement Between the Tri-County Metropolitan Transportation District of Oregon (TriMet) and Metro for Purchase of Convention Event Passes (Attachment A). On October 3, the Council will consider Resolution No. 13-4464 which authorizes the Chief Operating Officer to enter into this agreement with TriMet.

It is important to note that agreement outlined in Attachment A is closely aligned with the Amended and Restated Visitor Facilities Intergovernmental Agreement (VF IGA) adopted by Metro Council on August 15, 2013. The Amended and Restated VF IGA incorporated ongoing funding for the Convention Event Pass Program, pending the Council's approval of Resolution No. 13-4464. Among the other VFTA funding priorities, it also included the mechanism to repay revenue bonds issued to offset a portion of the cost to construct the OCC hotel. The Amended and Restated VF IGA was adopted by the Multnomah County Board of Commissioners on September 19 and the Portland City Council on September 25, 2013.

CONVENTION EVENT PASS PROGRAM ELEMENTS

The Convention Event Pass Program is intended to cover transit fare for attendees of city-wide conventions held at the OCC who are staying in area hotels booked by Travel Portland. Passes will be requested and received by Travel Portland and distributed in advance by Travel Portland or by the OCC at event registration. Travel Portland will be responsible for tracking and reporting usage and attendee numbers to TriMet and Metro.

The program is proposed to be funded in phases, the first being a five-year pilot program which began on an temporary, interim basis on July 1, 2012 and expires on June 30, 2017. Beginning with fiscal year 2013-2014, the program is allocated \$386,252 (increased annually by CPI) in VFTA funds on an annual basis. While not anticipated, any program expenses above and beyond the annual VFTA allocation will not be incurred by Metro during this five year pilot period.

At the conclusion of pilot period, the parties will review and analyze usage and cost data collected to determine if additional resources beyond the VFTA are necessary to fund the program in the future. For these purposes, information sources may include electronic fare collection data compiled by TriMet should the methodology be available. Beginning July 1, 2017 and beyond, the annual VFTA payment is proposed to be adjusted based upon the usage data described above. If electronic fare collection data is not available at that time, the parties agree to base the program costs on an attendance distribution factor that multiplies the number of passes ordered by the actual hotel room occupancy data provided by Metro, recalculated annually based on the prior 12-month period multiplied by the applicable TriMet Board approved convention pass price. After July 1, 2017, Metro agrees to fund program costs identified by the parties above and beyond the annual VFTA allocation if necessary. It is anticipated that any additional funds required would be requested to be funded through the VFTA.

Staff acknowledges the valuable partnership between Metro and TriMet and the good faith negotiations on behalf of all parties involved. TriMet's ongoing support of Metro's visitor venues, Oregon Convention Center, and the region's marketability as an international convention and travel destination is commendable.

Staff recommends the Council adopt Resolution No. 13-4464 and direct the Chief Operating Officer to execute the corresponding Agreement Between the Tri-County Metropolitan Transportation District of Oregon (TriMet) and Metro for Purchase of Convention Event Passes.

ANALYSIS/INFORMATION

1. Known Opposition None

2. Legal Antecedents

ORS 268.300 and ORS Chapter 190

3. Anticipated Effects

Adoption of Resolution No. 13-4464 ensures that a critical marketing tool and amenity be provided to national convention clients of the OCC, contributing towards it ability to maximize economic impact for the region.

4. Budget Impacts

There are no known budget impacts at this time. If in year 2018 a budget gap is identified, Metro staff will work with Travel Portland and TriMet to identify appropriate funding sources.

RECOMMENDED ACTION

Recommend approval of Resolution No. 13-4464 by Metro Council with direction to the Chief Operating Officer to execute the corresponding Agreement Between the Tri-County Metropolitan Transportation District of Oregon (TriMet) and Metro for Purchase of Convention Event Passes.