

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE) RESOLUTION NO. 13-4466
AMENDED AGREEMENT REGARDING)
CONSOLIDATION OF REGIONAL) Introduced by Chief Operating Officer Martha
CONVENTION, TRADE, SPECTATOR AND Bennett in concurrence with Council
PERFORMING ARTS FACILITIES OWNED President Tom Hughes
AND OPERATED BY THE CITY OF
PORTLAND AND METRO

WHEREAS, Metro owns and operates the Oregon Convention Center (OCC with the expertise and oversight of the Metropolitan Exposition and Recreation Commission (MERC); and

WHEREAS, in December 1989, the City of Portland and Metro entered into an Intergovernmental Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro (commonly known as the "Consolidation Agreement"); and

WHEREAS, on January 31, 2001, Metro, City of Portland and Multnomah County entered into the Visitor Facilities Intergovernmental Agreement to support regional tourism and spectator facilities, the visitor and hospitality industry and to maximize the economic development benefits associated with visitor facilities, programs and services; and


WHEREAS, on August 15, 2013, the Metro Council via Resolution No. 13-4452, ("For the Purpose of Approving the Amended and Restated Visitor Facilities Intergovernmental Agreement") authorized the Chief Operating Officer to execute the 2013 Amended and Restated Visitor Facilities Intergovernmental Agreement (the "Amended and Restated VF IGA"), the general purpose of which was to reflect updated priorities and needs of the region's visitor facilities and tourism promotion programs, including a convention center hotel; and

WHEREAS, the recent changes to the Amended and Restated VF IGA has prompted staff to consider corresponding updates to the Consolidation Agreement to, among other things, reflect up-to-date management practices for City-owned, Metro-managed facilities; and


WHEREAS, on September 25, 2013, the City of Portland passed Resolution 893, approving both the Amended and Restated VF IGA and the revised Consolidation Agreement; NOW THEREFORE

BE IT RESOLVED THAT the Metro Council hereby authorizes the Chief Operating Officer to execute a revised Consolidation Agreement, in a form substantially similar to the one attached hereto as Exhibit A.

ADOPTED by the Metro Council this 3rd day of October, 2013.


Tom Hughes, Council President

Approved as to Form:



Alison R. Kean, Metro Attorney

Exhibit A

AMENDMENT TO THE

AMENDED AGREEMENT REGARDING CONSOLIDATION OF REGIONAL
CONVENTION, TRADE, SPECTATOR AND PERFORMING ARTS FACILITIES
OWNED AND OPERATED BY THE CITY OF PORTLAND AND METRO

City of Portland, Contract No. 25921

This Amendment to the *Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro* dated as of December 19, 1989 and amended last as of May 1, 2000, (the "Consolidation IGA") is made and entered by and between METRO, a metropolitan service district, and the CITY OF PORTLAND, a municipal corporation of the State of Oregon, by and through their duly authorized representatives.

The Parties agree as follows:

1. Subject to review and approval of the City's Chief Administrative Officer, prior City funding under Section 5. OPERATING SUPPORT FOR PCPA may be deemed approved notwithstanding any variance in Metro's contractual allocation to use the funds one-half for capital support and one-half for operations support. Metro shall provide the City's Chief Administrative Officer, or designee, sufficient details to support the rationale for the variances in allocation.
2. Section 1, DEFINITIONS, "CPI" is hereby amended as indicated in strike-through and underline formatting:

"CPI" means the ~~annual average percent change in~~
Consumer Price Index, Urban, All Consumers, in the Portland-
Salem OR-WA area, or any successor index, 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.~~ Any
required annual adjustments shall be made based on the change
in the CPI between the second half of the prior calendar year
compared to the second half of the year immediately preceding
the prior calendar year.

3. Section 5, OPERATING SUPPORT FOR PCPA is hereby amended as indicated in strike-through and underline formatting:

SECTION 5

OPERATING SUPPORT FOR PCPA

The City shall provide \$600,000 per year to Metro, adjusted annually for CPI, to be used one-half for PCPA operations support and one-half for PCPA capital support, to be paid ~~prior to July 1, 2000, and prior to the end of each fiscal year thereafter.~~ For Fiscal Year 2013-14, the City's obligation has increased to \$814,794. The amount provided will continue to be adjusted annually for CPI. The amount allocated towards operations support and capital support may be adjusted by mutual written agreement submitted in writing prior to July 1 of each year.

4. Section 20 NOTICE is hereby changed to update notice to Metro and to the City as follows:

Metro:

Office of the Council President
Metro
600 NE Grand Avenue
Portland, Oregon 97232
Email: tom.hughes@oregonmetro.gov

Chief Operating Officer
Metro
600 NE Grand Avenue
Portland, Oregon 97232
Email:
martha.bennett@oregonmetro.gov

City of Portland:

Office of Management and Finance
Attn: Spectator Facilities &
Development Manager
1120 SW 5th Avenue, Rm 1204
Portland, Oregon 97204
Email:
SpectatorFacilities@portlandoregon.gov

With a copy to:

Office of Metro Attorney
Metro
600 NE Grand Avenue
Portland, Oregon 97232
Email: alison.kean@oregonmetro.gov

With a copy to:

Office of the City Attorney
1221 SW 4th Avenue, Rm 430
Portland, Oregon 97204
Email:
Jim.VanDyke@portlandoregon.gov

4. All other terms and conditions shall remain unchanged and in full force and effect.

Dated this ____ day of _____, 2013.

CITY OF PORTLAND:

Approved as to Form:

Charlie Hales
Mayor

James Van Dyke
City Attorney

METRO:

Approved as to Form:

Tom Hughes
Metro Council President

Alison Kean
Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTIONS NO.13-4465 FOR THE PURPOSE OF APPROVING THE OREGON CONVENTION CENTER HOTEL MEMORANDUM OF UNDERSTANDING WITH CITY OF PORTLAND AND MULTNOMAH COUNTY AND RESOLUTION NO. 13-4466 FOR THE PURPOSE OF APPROVING THE AMENDED AGREEMENT REGARDING CONSOLIDATION OF REGIONAL CONVENTION, TRADE, SPECTATOR AND PERFORMING ARTS FACILITIES OWNED AND OPERATED BY THE CITY OF PORTLAND AND METRO

Date: October 3, 2013
Prepared by: Cheryl Twete

BACKGROUND

On August 15, 2013, the Council approved two resolutions related to the proposed Oregon Convention Center Hotel (“OCC Hotel”) project:

Resolution 13-4452 Approved the Amended and Restated Visitor Facilities Intergovernmental Agreement with City of Portland and Multnomah County

Resolution 13-4453 Approved the OCC Hotel Project Term Sheet with Mortenson Development Company

The staff report submitted with the above-referenced resolutions provided background information about the status of the hotel project, a description of the proposed Amended and Restated Visitor Facilities Intergovernmental Agreement (“VF IGA”) and the function of each of these agreements. Metro Council was the first governmental body to act on the VF IGA.

The City of Portland held a first reading of the VF IGA Ordinance on September 18, 2013 and at the second (and final) hearing on September 25, 2013, approved the VF IGA. The ordinance also approved amending a separate agreement between the City and Metro called the Amended Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities (“Consolidation Agreement”). In a related action, the City approved a resolution authorizing a new OCC Hotel Project Memorandum of Understanding (“MOU”) to be executed by the City, Multnomah County and Metro that addressed agreements and goals for Metro’s forthcoming development negotiations with the Mortenson Development Team.

Multnomah County approved both the VF IGA and the OCC Hotel Project MOU at its September 19, 2013 meeting. It will take a further action to amend the Multnomah County Code to implement the VF IGA, no later than 90 days of execution of the VF IGA.

Staff Report, Resolution No. 13-4465 and 13-4466

The resolutions before Metro consider approval of 1) the MOU, which was drafted to address goals and issues of interest relating to the OCC Hotel Project by the jurisdictions and to guide Metro's negotiations with the Mortenson/Hyatt team and 2) an Amendment to the Consolidation Agreement, which governs Metro's management of Portland's Centers for the Arts (formerly known as the Portland Center for the Performing Arts), a facility owned by the City of Portland.

Action Items Before Council

The Council is being asked to consider and act upon two items:

Resolution 13-4465 which approves the Oregon Convention Center Hotel Project Memorandum of Understanding with City of Portland and Multnomah County

Resolution 13-4466 which approves an Amendment to the Amended Agreement Regarding Consolidation of Regional Convention Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro

OCC Hotel Project MOU

The public partners recognize the importance of the Oregon Convention Center to our regional economy and the projected benefit of an adjacent OCC Hotel. The public partners also agree that it is important to consider the potential impacts on existing hotels and service providers and, therefore, the partners developed an updated list of goals and expectations about the development and operation of the OCC Hotel. This MOU memorializes those goals, issues and concerns, similar to the original Statement of Principles dated April 2012 which was used successfully to guide Metro's request for development proposals. Metro will use the MOU to guide future negotiations with Mortenson Development/Hyatt Hotels Corporation. The MOU is attached as Exhibit A to Resolution 13-4465.

Consolidation Agreement

In December 1989, the City of Portland and Metro entered into an intergovernmental Agreement Regarding consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro (commonly known as the "Consolidation Agreement"). This agreement consolidated management and operations of city-owned, Metro-managed facilities. Today this agreement covers the Portland's Centers for the Arts, as Metro no longer manages Civic Stadium or Veterans Memorial Coliseum.

Three sections of the Consolidation Agreement need to be amended to reflect amendments to the VF IGA and to update other provisions to reflect current management practices.

The proposed changes are:

Staff Report, Resolution No. 13-4465 and 13-4466

Section 1, DEFINITIONS – modifies definition of Consumer Price Index to match the definition utilized in the amended VF IGA.

Section 5, Operating Support for PCPA – updates the amount of the City’s obligation to reflect current dollar amount of \$814,794 for FY 13-14 and allows the amount of funding to be allocated towards operations and capital support, as agreed in writing by the parties.

Section 20, Notice – updates the individuals or positions with Metro and the City of Portland to receive notices related to the Agreement.

A copy of the specific amendment language is attached as Exhibit A of Resolution 13-4466.

KNOWN OPPOSITION (TO BE UPDATED)

There is no specific known opposition to either the OCC Hotel MOU or the Consolidation Agreement amendment. There is a group of local hoteliers who have indicated their opposition to the OCC Hotel Project, and representatives of this group, as well as other members of the public, voiced their concerns at the Metro Council public hearing on August 15, 2013 and at the City Council and Multnomah County hearings on September 18 and 19, 2013, respectively. The Consolidation Agreement amendment is considered a housekeeping item and is not expected to generate opposition.

During the next several months of the OCC Hotel project, Metro will track issues raised by interested stakeholders and address appropriately. An open and transparent public communication and outreach strategy is essential to the success of the project.

LEGAL ANTECEDENTS

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. Metro is obligated to operate the Portland’s 5 Centers for the Arts under the Consolidation Agreement.

BUDGET IMPACTS

Budgeted FY 2013-14 funds are expected to be adequate for the OCC Hotel project pre-development and development phases and the Portland’s 5 Centers for the Arts.

ANTICIPATED EFFECTS

Adopting Resolution No. 13-4465 would provide guidance to the OCC Hotel Project Phase III development and financing agreement negotiations.

Staff Report, Resolution No. 13-4465 and 13-4466

Adopting Resolution No. 13-4466 updates the ongoing management approach by Metro of the Portland's Center for the Arts.

RECOMMENDED ACTION

Staff recommends Council approve Resolutions No. 13-4465 and 13-4466.