

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 13-33

For the purpose of approving and transmitting to the Metro Council budget amendments to the MERC Fund for fiscal year 2013-14.

WHEREAS, Metro Code 6.01.050 provides that the Commission shall annually prepare and approve an annual budget which shall, to the maximum extent permitted by law, consist of one commission-wide series of appropriations, and

WHEREAS, Metro Code 6.01.050(d) further provides that once the Commission's budget has been adopted by the Metro Council, any changes in the adopted appropriations must be ratified in advance by the Metro Council; and

WHEREAS, the Commission previously approved and transmitted to the Metro Council the fiscal year 2013-14 budgets for the MERC Fund, and

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves budget amendments to the MERC Fund as described in the attached Staff Report for the fiscal year beginning July 1, 2013 and ending June 30, 2014 for inclusion as part of the total Metro budget for this period.

Passed by the Commission on December 4, 2013.


Approved as to form:
Alison Kean, Metro Attorney



Chair

By: 

Nathan A. S. Sykes
Deputy Metro Attorney



Secretary-Treasurer

MERC Staff Report

Agenda Item/Issue: for the purpose of approving and transmitting to Metro Council budget amendments to the MERC Fund for fiscal year 2013-14.

Resolution No. 13-33

Date: December 4, 2013

Presented by: Matthew Rotchford

Background for Amendment A: In November 2013, Expo Center staff entered into a 2014 Option Notice/Agreement with Cirque du Soleil for the presentation of TOTEM, by Cirque du Soleil America, Inc. The event represents a lengthy stay exceeding three months and fifty performances, with a projected attendance of 100,000 attendees. Many of these attendees will likely be first time visitors to the Portland Expo Center. Immediate preparations are underway to support the event and organize for Cirque's arrival in February, 2014.

We project the total event revenue to be \$586,240 comprised of rent, concessions, alcohol sales and parking. To support this new revenue opportunity, we request a one-time transfer of \$393,425 from the Strategic Business Reserve to support the arrival and execution of this event. As we did in 2012, we plan to reimburse the event support expense amount back to the Strategic Business Reserve with net revenues from the event. If approved, we will use this budget allocation to support the event in the following ways:

Amount	Description
\$160,000	Additional Food & Beverage service support
85,050	Additional shuttle expenses during the Cirque timeline
67,875	Additional Professional labor – Portland Police, Peer Security, Parking cashiers
40,500	Satellite parking lot rentals
25,000	Requisite Tri-met buyouts for inconvenienced customers
15,000	Gravel lot improvements (270 spaces): fencing, signage, lighting
\$393,425	Total

Fiscal Impact:

Amount	Description
\$586,240	Projected increased revenue due to Cirque du Soleil opportunity
393,425	Proposed additional expenses due to Cirque du Soleil opportunity
\$192,815	Projected net revenue from Cirque du Soleil event

Background for Amendment B: To facilitate some synergy between the unique Cirque opportunity and our new branding efforts, we request a one-time transfer of \$197,000 from the Strategic Business Reserve to support the following specific marketing and communications initiatives as outlined in the proposed *Gard Communications* Marketing plan:

Amount	Description
\$116,500	Advertising: Tri-met, Oregonian, calendars, direct mail, social media
70,500	Improved re-branded Expo signage
10,000	Main parking entry beautification
\$197,000	Total

Budget Impacts: This resolution authorizes a reduction in the Business Strategy Reserve of \$590,425. The additional revenue of \$586,240 will be recognized or received to offset the Business Strategy Reserve reduction described in Amendment A.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission approve Resolution 13-33.