

BEFORE THE CONTRACT REVIEW BOARD OF THE  
COUNCIL OF THE METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING AN )  
EXEMPTION FROM METRO CODE )  
SECTION 2.04.054 FOR AN )  
AMENDMENT OF THE DELOITTE AND )  
TOUCHE CONTRACT )

RESOLUTION NO. 91 - 1464  
Introduced by Executive Officer  
Rena Cusma

WHEREAS, Public Financial Management has performed financial analyses for the Metropolitan Service District in support of the regional facilities program; and

WHEREAS, Public Financial Management is now a consultant to the Portland Trail Blazers for a new arena; and

WHEREAS, Metropolitan Service District staff believe a potential conflict of interest exists with Public Financial Management continuing to provide support to the regional facilities program of the Metropolitan Service District; and

WHEREAS, Deloitte and Touche was competitively selected to provide the Metropolitan Service District economic and financial analyses in support of the regional facilities program since March 11, 1991; and

WHEREAS, Amendment No. 1, attached as Exhibit A, has been prepared by Metro staff which includes additional consulting financial services regarding the proposed arena and increases the compensation commensurately by up to \$25,000; NOW THEREFORE,

BE IT RESOLVED, that the Council of the Metropolitan Service District, acting as Contract Review Board, authorizes Amendment No. 1 as Exhibit A, to the Deloitte and Touche contract, which provides for additional financial consulting services in support of the regional services program.

ADOPTED by the Council of the Metropolitan Service District this 13<sup>th</sup> day of June 1991.

  
Tanya Collier  
Presiding Officer

Exhibit A

AMENDMENT NO. 1

DELOITTE AND TOUCHE

Contract No. 901-763

The contract between the Metropolitan Service District, hereinafter referred to as "METRO", and Deloitte and Touche, hereinafter referred to as "CONTRACTOR", to provide financial consulting services for the regional facilities program, Contract No. 901-763, is hereby amended as follows:

EXHIBIT A, SCOPE OF WORK

The following tasks may be requested on an as needed basis:

1. Develop base case assumptions for financial projections.
2. Develop a financial model to test the financial sensitivity of various alternative proposals.
3. Identify reasonable options for financing and public revenue sources including financing approaches for the proposed arena and public revenues to replace the Coliseum operating surplus.
4. Perform a rate of return analysis on any proposed public investment to assist in selecting among alternatives.
5. Provide ongoing advisory assistance to Metro and to the negotiating team, including but not limited to, performing analyses of alternative solutions, evaluating the strengths and weaknesses of particular proposals that may be advanced by the Trail Blazers, and developing counter proposals.

EXHIBIT B, COMPENSATION

Total compensation for this contract shall be increased from an original contract amount of \$25,000.00 by \$25,000.00 to a new contract amount of \$50,000.00.

The contract expiration date shall be extended to September 30, 1991.

All other terms and conditions remain in full force and effect.

DELOITTE AND TOUCHE

METROPOLITAN SERVICE  
DISTRICT

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## STAFF REPORT

### CONSIDERATION OF RESOLUTION 91-1464 FOR THE PURPOSES OF AUTHORIZING AN EXEMPTION FROM REQUIREMENTS OF METRO CODE TO PERMIT AMENDING THE DELOITTE AND TOUCHE CONTRACT FOR ECONOMIC IMPACT ASSESSMENTS FOR REGIONAL FACILITIES

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Date: May 1, 1991

Presented by: Sherry Oeser

#### FACTUAL BACKGROUND AND ANALYSIS

Public Financial Management (PFM) has been providing economic and revenue analysis and projections in support of Metro's Public Advisory Committee for Regional Convention, Trade, Performing Arts and Spectator Facilities. PFM is also providing consulting services to the Portland Trail Blazers in developing a new arena. Because PFM is a consultant to the Trail Blazers, Metro staff believes PFM has a potential conflict of interest in continuing to provide consulting services to Metro on this issue.

This spring the Metro Council authorized staff to issue a request for proposals to conduct an economic impact analysis for spectator and performing arts facilities. After a national search, the accounting firm of Deloitte and Touche was selected through a competitive process. Deloitte and Touche has national experience with sports and entertainment facilities and, having worked with Metro on an economic impact analysis, is aware of the issues surrounding development of a new arena.

Resolution No. 91-1464 would amend the Deloitte and Touche contract to provide for additional consulting services specifically for the Trail Blazer proposal for a new arena and to increase the contract amount by up to \$25,000.

#### Recommendation:

The Executive Officer recommends approval of Resolution No. 91-1464 by the Contract Review Board.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 91-1464, AUTHORIZING AN EXEMPTION FROM REQUIREMENTS OF THE METRO CODE TO PERMIT AMENDING THE DELOITTE AND TOUCHE CONTRACT FOR ECONOMIC IMPACT ASSESSMENTS FOR REGIONAL FACILITIES

Date: June 6, 1991

Presented by: Councilor Devlin

COMMITTEE RECOMMENDATION: At its June 6, 1991 meeting the Committee voted unanimously to recommend Council adoption of Resolution No. 91-1464. All Committee members were present and voting.

COMMITTEE DISCUSSION / ISSUES: Sherrie Oeser, Regional Facilities Department Senior Management Analyst, presented the staff report. She indicated the amendment to the Deloitte and Touche contract for the services specified in the Scope of Work is a result of the District's financial advisor, Public Financial Management (PFM), taking a job with the Portland Trail Blazers to provide financial advice on the proposed new arena. Metro staff believe it is a conflict of interest for PFM to provide consulting services to Metro regarding the proposed arena. The District currently has a contract with Deloitte and Touche for an economic analysis for spectator and performing arts facilities. The staff is of the opinion that Deloitte and Touche is well qualified to provide financial advisory services to the public sector on the proposed arena.

Committee members expressed concern about the number of committees studying the spectator facilities issues and the relationship among the committees and the Metro Council. Regional Facilities staff indicated that Cliff Carlsen, Chair of the Task Force on Regional Facilities, will be making a report to the Council at its next meeting on the activities and recommendations from his task force.

Councilor Van Bergen expressed concern about the lack of a specific work program for the Regional Facilities Department regarding the spectator facilities program. He indicated that the recent budget deliberations were concluded with the Council approving approximately \$150,000 for essentially unspecified purposes. Council staff indicated that it is working with the Council's Regional Facilities Committee to require the Regional Facilities Department to develop and submit a specific work program to that Committee.

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