

METROPOLITAN EXPOSITION RECREATION COMMISSION

RESOLUTION NO. 12-13

For the purpose of entering into Memorandum of Understanding with the Visitor Development Fund, Inc., for Enhanced Marketing of the Oregon Convention Center.

WHEREAS, the Visitors Development Fund, Inc. ("VDF") was created to carry out the purposes contemplated in the Visitor Facilities Intergovernmental Agreement, entered into by and between the City of Portland, the County of Multnomah, and Metro on January 31, 2001 (the "VDI Agreement") and the Visitor Development Fund Services Agreement by and between VDF, the City of Portland, the County of Multnomah, and Metro on April 26, 2001 (the "VDFS Agreement");

WHEREAS, in 2011, the City of Portland refinanced the tax revenue bonds issued pursuant to the VDI Agreement; such refinancing decreased the scheduled debt service on the bonds and increased the annual net revenues remaining in the Visitor Facilities Trust Account ("VFTA"), which account the VDF oversees and supervises;

WHEREAS, in accordance with the terms of the VDI Agreement, on an annual basis a portion of the VFTA funds may be paid to the Metropolitan Exposition and Recreation Commission (the "Commission") to cover the operating, capital repair and maintenance costs of the Oregon Convention Center ("OCC"); such payment is commonly referred to as "bucket 4" of the existing VFTA "bucket system";

WHEREAS, as a result of the City's bond refinancing, staff has recommended that the Commission request an increased payment from the VFTA to cover additional marketing costs that the Commission intends to spend to enhance the ability of the OCC to be highly competitive as a venue for national conventions; and

WHEREAS, the attached Memorandum of Understanding documents the parties mutual intent to use any additional "bucket 4" funds allocated for enhanced marketing purposes of the OCC in order to more fully achieve the purposes of the VDI Agreement.

BE IT THEREFORE RESOLVED, the Commission approves the Memorandum of Understanding with the Visitor Development Fund, Inc., in the form substantially similar to the attached Exhibit A, and authorizes the Metro Chief Operating Officer to execute the Memorandum of Understanding on behalf of the Commission.

Passed by the Commission on August 1, 2012.

Chair

Secretary/Treasurer

Approved As to Form:

Alison Kean Campbell, Metro Attorney

By: _____

Ashley H. McCarron
Senior Attorney

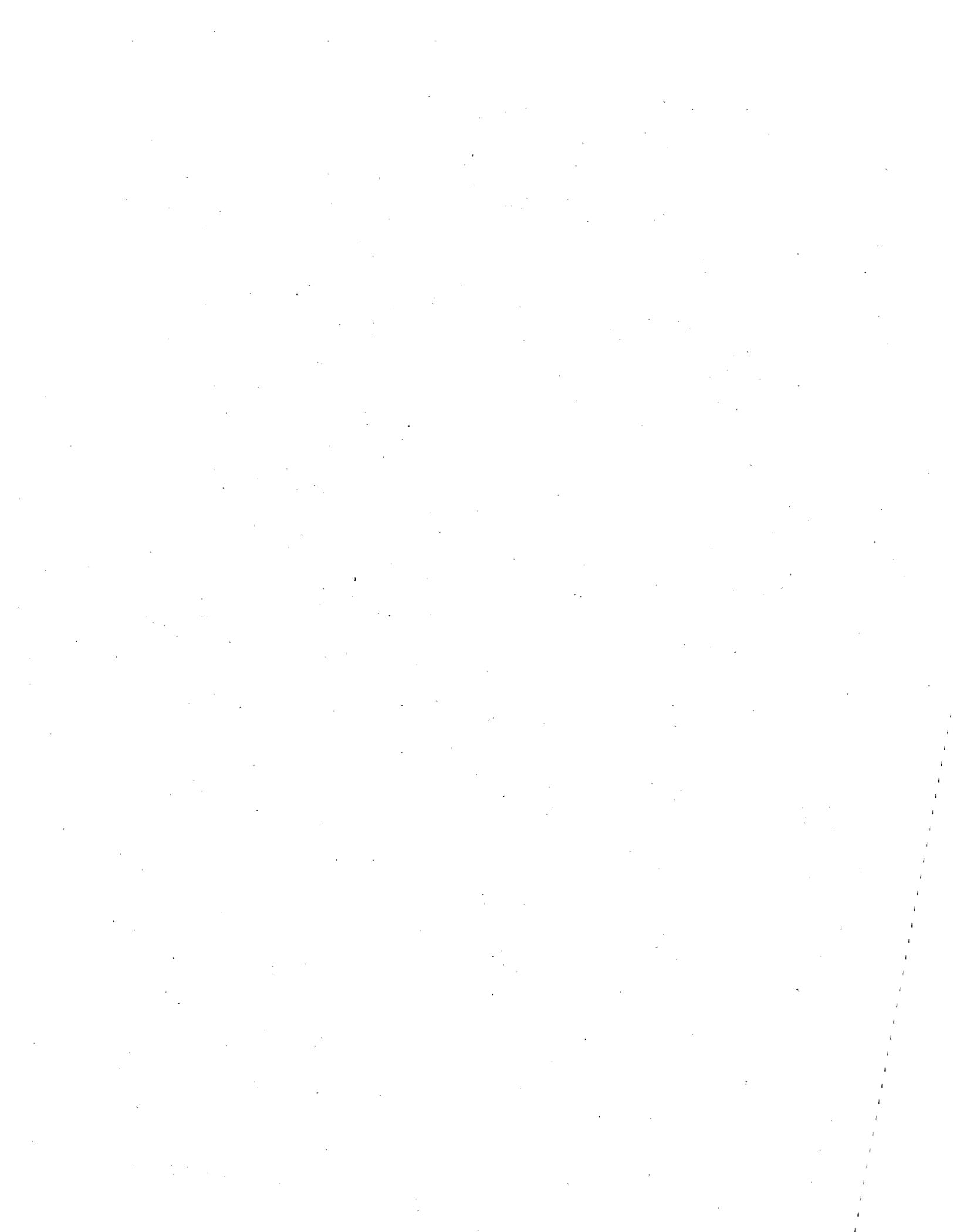


EXHIBIT A

MEMORANDUM OF UNDERSTANDING Enhanced Marketing for Oregon Convention Center

This Memorandum of Understanding ("MOU"), effective _____, 2012, is by and between the Visitor Development Fund, Inc., an Oregon nonprofit corporation (the "VDF") and the Metropolitan Exposition Recreation Commission ("MERC"), an appointed commission of Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter.

Recitals

- A. Metro and MERC are responsible for a number of programs and facilities, including the Oregon Convention Center (the "OCC").
- B. OCC's principal mission is to maximize the economic benefits for the tri-county Portland metropolitan region and the State of Oregon by hosting conventions, trade shows, and similar events which result in substantial attendance by visitors to the region.
- C. VDF was created to carry out the purposes contemplated in the Visitor Facilities Intergovernmental Agreement, entered into by and between the City of Portland, the County of Multnomah, and Metro on January 31, 2001 (the "VDI Agreement") and the Visitor Development Fund Services Agreement by and between VDF, the City of Portland, the County of Multnomah, and Metro on April 26, 2001 (the "VDFS Agreement").
- D. VDF is charged with supervising, overseeing, and approving expenditures from the Visitor Facilities Trust Account ("VFTA") and formulating and developing programs to attract visitors to Portland and Multnomah County that maximize hotel and vehicle rentals.
- E. In 2011, the City of Portland refinanced the tax revenue bonds issued pursuant to the VDI Agreement; such refinancing decreased the scheduled debt service on the bonds and increased the annual Net Revenues remaining in the VFTA by approximately \$875,000 (the "Additional Funds").
- F. In accordance with Section II(D)(4)(d) of the VDI Agreement and Multnomah County Ordinance No. 957 adopted on January 25, 2001, on an annual basis a portion of the VFTA funds may be paid to Metro to cover the operating, capital repair and maintenance costs of the OCC ("OCC's Operating Deficit"). Such payment is commonly referred to as "bucket 4" of the existing VFTA "bucket system."
- G. As a result of the City's bond refinancing, Metro plans to request an increased "bucket 4" payment from the VFTA to cover additional marketing costs that Metro intends to spend to enhance the ability of OCC to be highly competitive as a venue for national conventions.
- H. VDF has conducted a study of how using the Additional Funds for enhanced marketing for the OCC would have the greatest impact and achieve the purposes of the VDI Agreement.

I. This MOU documents the mutual intent of MERC and VDF to use the Additional Funds for OCC enhanced marketing purposes in order to more fully achieve the purposes of the VDI Agreement, as is more particularly set forth below.

Agreement

1. **Purpose.** The purpose of this MOU is to memorialize the parties' understanding regarding their respective roles and undertakings regarding utilizing the Additional Funds to cover certain marketing costs of the OCC. MERC and VDF's joint goal is to increase and enhance current marketing initiatives in order to maximize the regional job potential of the OCC.
2. **VDF Task Force Recommendations.** Attached as Exhibit 1 to this MOU is a copy of the VDF Task Force Recommendations listing supplemental marketing criteria for the OCC. MERC and VDF agree that implementing the listed recommendations will improve OCC's ability to attract national convention, trade show, and event business.
3. **Request for and Use of Additional Funds.** MERC submitted its Proposed Budget to the Metro Council and included \$875,000 to be part of its "bucket 4" request with the intent to pay such amount to VDF when it is received from the County. On May 5, 2012, the Metro Council approved the budget as submitted and continued it for final adoption. VDF agrees to utilize the Additional Funds for the purposes set forth in Exhibit 1 and to use such funds in a manner consistent with its process for allocating other funds it receives pursuant to the VDI Agreement (commonly referred to as "bucket 6"). VDF will provide reports to MERC regarding the use of the Additional Funds in the same manner it reports usage of other VDI resources. VDF's compensation for the services performed under this Agreement shall come from the Additional Funds paid to Metro by Multnomah County from the VFTA "bucket system".
4. **Term.** The parties intend that this MOU is effective for the 2012/2013 fiscal year period and shall control expenditures of the funds allocated to VDF under the VDI Agreement.
5. **Miscellaneous.** Unless otherwise defined herein, all capitalized terms which are used in this MOU shall have the meanings given to them in the VDI Agreement.

IN WITNESS WHEREOF, MERC and VDF have executed this MOU effective as of the date set forth above.

MERC

VDF

By: _____
Martha Bennett
Title: Chief Operating Officer

By: _____
Name: _____
Title: _____