

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 11-07

Approving a new capital project at the Oregon Convention Center (OCC) and the increase of the cost for the Keller Auditorium Boiler Replacement Project for the Portland Center for Performing Arts (PCPA), amending MERC's 5 Year Capital Plan, and recommending that the Metro Council amend the FY 2010-11 through FY 2014-15 Capital Improvement Plan (CIP).

WHEREAS, The Metropolitan Exposition Recreation Commission's (MERC) Capital Asset Management Policy requires any project exceeding \$100,000 receive MERC approval; and

WHEREAS, Metro's adopted financial policies require any project exceeding \$100,000 or an existing CIP project increasing greater than 10% receive Council approval; and

WHEREAS, a new Capital Improvement Project at OCC totaling \$150,000 has been identified as necessary; and

WHEREAS, The Keller Auditorium Boiler Replacement Project proposal includes an increase from \$100,000 to \$191,726;

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:


- 1) Approves a new capital project at the OCC for renovation of the two existing Coffee Retail Stores for a cost of \$150,000; and
- 2) Approves the increase to the Keller Auditorium Boiler Replacement project from \$100,000 to \$191,726; and
- 3) Amends the MERC 5 year Capital Plan to add the coffee shop renovation projects and increase the Keller Auditorium Boiler Replacement Project to \$191,726; and
- 4) Recommends that the Metro Council amend the FY 2010-11 through FY 2014-15 Capital Improvement Plan (CIP) to add the Coffee Retail Store renovation projects and increase the Keller Auditorium Project to \$191,726.

Passed by the Commission on April 6, 2011.

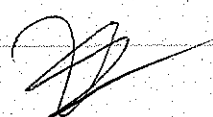
Approved as to Form:

Alison Kean Campbell, Acting Metro Attorney


Chair


Secretary/Treasurer

By:


Nathan A. Schwartz Sykes, Senior Attorney

MERC Staff Report

Agenda Item/Issue:

Approving a new capital project at the Oregon Convention Center (OCC) and the increase of the cost for the Keller Auditorium Boiler Replacement Project for the Portland Center for Performing Arts (PCPA), amending MERC's 5 Year Capital Plan, and recommending that the Metro Council amend the FY 2010-11 through FY 2014-15 Capital Improvement Plan (CIP).

Resolution No: 11-07

Presented By: Jeff Blosser
Robyn Williams
Cynthia Hill

Date: April 6, 2011

Background and Analysis:

Starbucks Store Renovations:

The retail coffee shops currently franchised with Starbucks are required to be renovated per the Starbucks's requirements to stay licensed. ARAMARK and OCC have been negotiating over the past several months to reduce the costs of operations and have decided to not renew the contracts for these two stores. With this in mind, ARAMARK and OCC are negotiating with a different company to franchise a coffee shop retail outlet to replace Starbucks at the Oregon convention Center. As part of this new operation, both retail stores will need to be renovated so as to follow the de-commissioning requirement of the Starbucks contract as well as new design requirements for the new operation. It is anticipated that notices to terminate the Starbucks agreement will go out March 23, 2011 and construction to start on Coffee Retail Store #1 (\$75,000) May 23, 2011 and store #2 (\$75,000) to follow upon completion and opening of the first new retail outlet estimated to start renovation September 2011.

Funding will be provided from the existing ARAMARK 5% reserve capital account in each fiscal year; however this project is not included in the 5 year capital plan (CIP). Project funding may need to be carried over into next fiscal year due to the construction schedule and completion of Store #1 in July or August of 2011. The budget development process includes a review of capital projects in process and an amendment for all MERC capital projects requiring carryover will be requested in the next few months.

Keller Auditorium Boiler Replacement:

During a recent inspection of the existing Boiler at Keller Auditorium which was installed in 1985, it was determined the boiler system has come to the end of its useful life and can no longer perform as needed. After the new boiler project was budgeted, Keller Auditorium was undergoing a thorough energy audit. The audit recommended replacing the existing flexible gas tube boiler system with a new high efficiency condensing boiler system. While a high efficiency condensing boiler system is more expensive initially, the calculated payback is 11.8 years, meaning that in 11.8 years this upgrade will have paid for itself by the utility savings that this higher efficiency model produces (\$0.67/kWh and \$1.3 per therm for simple payback calculation). This payback does not include the monetary rebate from the Energy Trust of Oregon (\$32,500). It was determined to be in the facility's best interest as well as complying with Metro goals and MERC's sustainability efforts to proceed with replacing the boiler system with the recommended high efficiency model.

This project is included in the 2010–2011 adopted budget as reflected in the PCPA Keller Boiler Project. The funding as allocated in the budget is for \$100,000. The additional \$91,726 will be used from unspent capital comprised of monies from capital projects that were cancelled as well as projects that came in under budget. The \$191,726 total fiscal impact will be offset by an incentive offer rebate from the Energy Trust of Oregon (ETO) in the amount of \$32,500. Upon completion of this project, the ETO will pay MERC the guaranteed incentive rebate amount of \$32,500.

MERC Capital Asset Management Policy requires the Commission approve all projects exceeding \$100,000 and Metro's financial policies require projects exceeding \$100,00 receive Council approval. This resolution is requesting Commission approval of the new project renovating Starbucks Sores # 1 and # 2 and the increase of \$91,726 for the Keller Auditorium Boiler Replacement Project, and a recommendation to Metro Council to amend the Metro Capital Improvement Plan FY 2010-11 through FY 2014-15.

Fiscal Impact:

Projects funded from existing appropriations.

Attachments to Resolution and/or Staff Report:

Revised Capital Improvement Plan for FY 2010-11

Recommendation:

Staff recommends that the Metropolitan Exposition Recreation Commission approve Resolution 11-07.

Metropolitan Exposition Recreation Commission
Fiscal Year FY 2010-11 Capital Plan Updated 3-30-11

Description	Funding Source	Original Plan FY 2010-11	Carry Over / Amendments	Adopted Budget	Revised Budget	Year to dated Actuals	Project Status
OCC FY 2010-11							
Kitchen Equipment & Trade Work	F & B Capital Investment - Fund Balance	525,000		525,000	497,385	279,698	in process
Kitchen Remodel - T-Bar Replacement	F & B Capital Investment - Fund Balance				22,140	22,140	complete
Small wares Purchase	F & B Capital Investment - Fund Balance	300,000		300,000	187,107	45,636	in process
Leg Up Program Store Project - Metro Café	F & B Capital Investment - Fund Balance	150,000		150,000	150,000	14,064	in process
F & B Capital Investment Contingency	F & B Capital Investment - Fund Balance				162,593		n/a
Hand Dryers Installation(carried over from last year)	MTOCA Funds	150,000		150,000	150,000	544	in process
Phase Air-wall Retrofit Project	MTOCA Funds	220,000	340,000	560,000	383,700	280,449	in process
VAV Controllers and CO2 Sensors on AHUs LEED phase 2	MTOCA Funds	105,000		105,000	69,246	69,246	complete
VAV Controllers and CO2 Sensors on AHUs LEED phase 1	TLT Capital Funds				17,562	17,562	complete
Digital Signage Upgrade	TLT Capital Funds	150,000		150,000	152,900		in process
Replace Stage Unit Steps	TLT Capital Funds	15,000		15,000	17,810	17,810	complete
Forklift Replacement	TLT Capital Funds	60,000		60,000	67,732	67,732	complete
Security Console Replacement	TLT Capital Funds	20,000		20,000	-		cancelled
Garage Door Dry Waste Area Replacement	TLT Capital Funds	15,000		15,000	405	405	cancelled
Riding Scrubber/Sweeper Replacement	TLT Capital Funds	35,000		35,000	44,905		in process
Parking Management System and Equipment Replacement	TLT Capital Funds	130,000		130,000	130,000	250	in process
48" Tables & Carts	TLT Capital Funds	11,000		11,000	11,323	11,323	complete
Elevators 1 & 2 Cab Retrofit	TLT Capital Funds			-	41,000	41,000	complete
Sizzler Block Plaza Construction Project	OCC Fund Balance	660,000		660,000	660,000	5,765	in process
Lighting Fixture Replacement and Upgrade	MTOCA proposal		751,645	751,645	751,645	526,262	in process
Project Contingency					120,192		n/a
Subtotal OCC Capital Account		2,546,000	1,091,645	3,637,645	3,637,645	1,399,886	
OCC Aramark Capital Reserve							
Kitchen Remodel Construction Phase	5% Reserve Account-Capital	100,000		100,000	18,412		in process
Aramark - ABI Timekeeping System Software & Hardware	5% Reserve Account-Capital			-	33,509	26,807	in process
Renovation of Starbucks Store # 1	5% Reserve Account-Capital			-	75,000		new project
Subtotal OCC Aramark Capital Reserve		100,000	-	100,000	126,921	26,807	
Total OCC Capital Projects		2,646,000	1,091,645	3,737,645	3,764,566	1,426,693	

Metropolitan Exposition Recreation Commission
Fiscal Year FY 2010-11 Capital Plan Updated 3-30-11

<i>Description</i>	<i>Funding Source</i>	<i>Original Plan FY 2010-11</i>	<i>Carry Over / Amendments</i>	<i>Adopted Budget</i>	<i>Revised Budget</i>	<i>Year to dated Actuals</i>	<i>Project Status</i>
PCPA FY 2010-11							
Arlene Schnitzer Concert Hall Boiler Upgrade & Complete Inspection	PCPA Foundation (Friends of PCPA)	10,000		10,000	979	979	complete
Winningstad Dimmer System	PCPA Foundation (Friends of PCPA)	80,000		80,000	-	-	cancelled
Arlene Schnitzer Concert Hall - Main Roof & Mechanical	PCPA Foundation (Friends of PCPA)	100,000		100,000	97,884	97,884	complete
Arlene Schnitzer Concert Hall - Grand Lobby Roof	PCPA Foundation (Friends of PCPA)			-	76,520	76,520	complete
Keller Auditorium Boiler Replacement	PCPA Foundation (Friends of PCPA)	100,000		100,000	191,726	7,747	contract
Keller Lighting Console	PCPA Foundation (Friends of PCPA)	40,000		40,000	-		cancelled
Newmark Sound Console	PCPA Foundation (Friends of PCPA)	23,000		23,000	-		cancelled
Keller Concession Remodel	F & B Capital Investment - Fund Balance	325,000		325,000	325,000	566	in process
Hatfield Hall - PCPA Chiller Replacement	PCPA Fund Balance		289,000	289,000	289,000	252,624	in process
Keller Auditorium Heat Recovery System (\$25,000)	Metro Sustainability Grant				25,000		new
Project Contingency							n/a
Subtotal PCPA Capital Account		678,000	289,000	967,000	1,006,109	436,320	
PCPA Aramark Capital Reserve							
Aramark - ABI Timekeeping System Software & Hardware	5% Reserve Account-Capital				20,646	9,632	in process
Subtotal PCPA Aramark Capital Reserve		-	-	-	20,646	9,632	
Total PCPA Capital Projects		678,000	289,000	967,000	1,026,755	445,952	

Metropolitan Exposition Recreation Commission
Fiscal Year FY 2010-11 Capital Plan Updated 3-30-11

<i>Description</i>	<i>Funding Source</i>	<i>Original Plan FY 2010-11</i>	<i>Carry Over / Amendments</i>	<i>Adopted Budget</i>	<i>Revised Budget</i>	<i>Year to dated Actuals</i>	<i>Project Status</i>
EXPO FY 2010-11							
Seismic Gas Valves	EXPO Fund Balance	10,000		10,000	12,807	12,807	complete
Alerton DCC Global Controller	EXPO Fund Balance	22,000		22,000	24,533		in process
Electronic signage at parking lot entrance	EXPO Fund Balance	30,000		30,000	-		cancelled
Halls DE Wi-Fi	EXPO Fund Balance	25,000		25,000	25,000		in planning
Halls D relamp	EXPO Fund Balance	30,000		30,000	10,968	10,968	complete
Halls D relamp loading dock (increase \$3,450 Metro Sustainability Grant)	Metro Sustainability Grant				4,140	-	new
Unknown impact of Hall E boring	EXPO Fund Balance	50,000		50,000	8,923	8,923	complete
Five Control Alarm Panel	EXPO Fund Balance			-	9,152	9,152	complete
Hall C Heating System	EXPO Fund Balance			-	12,273	12,273	complete
West Delta Bar & Grill	F & B Capital Investment - Fund Balance	325,000		325,000	336,936	336,936	complete
Project Contingency					47,958		n/a
Subtotal Expo Capital Account		492,000	-	492,000	492,690	391,059	
Expo Aramark Capital Reserve							
Aramark - ABI Timekeeping System Software & Hardware	5% Reserve Account-Capital				14,514	8,175	in process
West Delta Bar & Grill	5% Reserve Account-Capital			-	12,207	12,207	complete
Subtotal Expo Aramark Capital Reserve		-	-		14,514	8,175	
Total Expo Capital Projects		492,000	-	492,000	507,204	399,234	

Metropolitan Exposition Recreation Commission
Fiscal Year FY 2010-11 Capital Plan Updated 3-30-11

<i>Description</i>	<i>Funding Source</i>	<i>Original Plan FY 2010-11</i>	<i>Carry Over / Amendments</i>	<i>Adopted Budget</i>	<i>Revised Budget</i>	<i>Year to dated Actuals</i>
Administration FY 2010-11						
Add Disk Storage space to Virtual server environment	MERC Support Costs	25,000		25,000		25,000
Add two additional application servers to Virtual environment	MERC Support Costs	30,000		30,000		30,000
Citrix XEN Essentials Software - administrator	MERC Support Costs	5,000		5,000		5,000
Server operating system upgrades - software, license, setup	MERC Support Costs	10,000		10,000		10,000
Citrix "test" environment - new server, license, setup	MERC Support Costs	20,000		20,000		20,000
Project Contingency	MERC Support Costs	12,000		12,000		12,000
Total Administration Capital Projects		102,000	-	102,000	-	102,000

