

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REQUESTING)	RESOLUTION NO. 96-2280
MULTNOMAH COUNTY TO AMEND ITS)	
TRANSIENT LODGINGS TAX ORDINANCE)	Introduced by Mike Burton,
TO ALLOW TAX RECEIPTS TO BE USED)	Executive Officer
TO FINANCE CONSTRUCTION OF A)	
NEW HALL AT THE EXPO CENTER)	

WHEREAS, Metro, through the Metropolitan Exposition-Recreation Commission (MERC), operates the Portland Expo Center under an intergovernmental agreement with Multnomah County, which owns the facility; and

WHEREAS, Metro and Multnomah County are developing an intergovernmental agreement to transfer ownership of Expo and certain County-owned parks and natural areas from the County to Metro; and

WHEREAS, Metro and MERC are considering the development of a new building on the Expo site, to improve Expo's marketability and exhibit space, and to accommodate the "America's Smithsonian" exhibit which is scheduled to occupy the proposed new Expo building for a forty-day exhibition in the spring of 1997; and

WHEREAS, Construction of a new hall at Expo is consistent with the Expo master plan developed by Multnomah County prior to the transfer of the facility's management to Metro; and

WHEREAS, Construction of the new facility at Expo is estimated to cost \$13 million; and

WHEREAS, Preliminary financing plans for construction of the new Expo facility call for \$9 million in Oregon Convention Center reserves to be contributed to the project; and

WHEREAS, Multnomah County levies a 3% transient lodging tax whose proceeds are largely dedicated to the operations, marketing, and improvements of the Oregon Convention Center; and

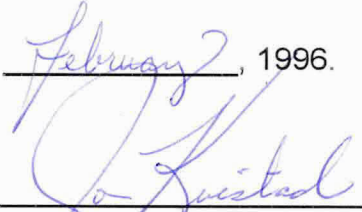
WHEREAS, Oregon Convention Center funds may not be used for the Expo project without amendment of the County Code which restricts the use of transient lodging tax funds to Convention Center purposes; and

WHEREAS, The proposed Expo expansion will provide needed flexibility for serving the public demand for use of Expo's facilities, provide the venue for the 150th anniversary Smithsonian exhibit, and serve to house traditional Expo events in the future when necessary repairs and modifications are made to the existing Expo facility;
Now, Therefore,

BE IT RESOLVED,

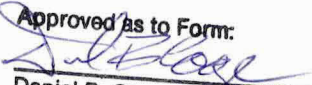
That the Metro Council requests the Multnomah County Board of Commissioners to amend Section 5.50.050 of the Multnomah County Code to allow Oregon Convention Center funds to be expended on the construction of a new building at the Expo Center, and authorizes the Executive Officer to propose amendment language to the County substantially similar to that contained in Exhibit A.

ADOPTED by the Metro Council this 15th day of February 2, 1996.



Jon Kvistad, Presiding Officer

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Approved as to Form:


Daniel B. Cooper, General Counsel

**PROPOSED AMENDMENT TO MULTNOMAH COUNTY
TRANSIENT LODGINGS TAX**

5.50.050. Tax Imposed.

* * *

- (5) After voters have approved issuance of general obligation bonds to finance or partially finance construction of the convention and trade show center or financing for construction has been obtained by some other means, funds deposited in the convention and trade show center special fund shall be used to assist the lead agency for the following purposes:
- (a) First, to pay any expenses incurred on activities identified under MCC 5.50.050(B)(4);
 - (b) Second, if all expenses identified in subsection (a) above have been satisfied, to pay any unfunded annual operating expenses that may have been incurred by the convention and trade show center;
 - (c) Third, if all expenses identified in subsection (a) above have been satisfied and if no otherwise unfunded annual operating expenses exist or if funds remain after the otherwise unfunded annual operating expenses have been paid, to provide for the promotion, solicitation, procurement, and service of convention business at the convention and trade show center to the extent necessary to fully implement the annual marketing program adopted by the lead agency;
 - (d) Fourth, if the needs identified in the foregoing subsections (a) through (c) have been fully satisfied, to pay ancillary costs associated with the development, construction and operation of the convention and trade show center, including but not limited to site acquisition costs and construction costs including financing of those costs;
 - (e) Notwithstanding the limitation on spending in subparagraphs (a) through (d), an amount not to exceed \$70,000.00 one time only may be used by the lead agency for the promotion, solicitation, procurement, and service of the 1988 International Association of Chiefs of Police convention in Multnomah County.

- (f) Notwithstanding the limitations on spending in subparagraphs (a) through (e), Multnomah County may transfer an amount not to exceed \$100,000 per year, for three years beginning with fiscal year 1994-1995, as a special appropriation to the Regional Arts and Culture Council.

- (g) The transfer of funds for operation of the Portland Center for the Performing Arts and for the Regional Arts and Culture Council pursuant to subparagraphs (f) and (g) shall not be made if, prior to June 1 of any year, the Metro Council declares that an emergency requires the funds to be used for the Oregon Convention Center. Any such declaration shall be in writing and shall be transmitted from Metro to the Chair of Multnomah County. The circumstances pertaining to the Oregon Convention Center warranting a declaration of an emergency shall include, but not be limited to:
 - (i) Current resources except beginning fund balance do not meet current expenditures less renewal and replacement fund transfer and unappropriated balance;
 - (ii) Revenues from the tax drop by more than 25% in any year when measured against the prior year;
 - (iii) A major structural failure at the center (not otherwise insured) such that total reserves are insufficient to repair the damage without the use of all or part of the 3-year \$2,100,000 commitment.
 - (iv) Or any other situation that threatens the normal operation of the convention center.

(h) Notwithstanding the limitations on spending in subparagraphs (a) through (g), Metro may use an amount not to exceed \$9,000,000 total for the construction of a new building at the Portland Exposition Center.

REGIONAL FACILITIES COMMITTEE REPORT:

CONSIDERATION OF RESOLUTION NO. 96-2280, REQUESTING MULTNOMAH COUNTY TO AMEND ITS TRANSIENT LODGINGS TAX ORDINANCE TO ALLOW TAX RECEIPTS TO BE USED TO FINANCE CONSTRUCTION OF A NEW HALL AT THE EXPO CENTER.

Date, February 8 1996

Presented by Councilor McFarland

Committee Recommendation: At the February 5th meeting the committee voted unanimously to recommend Council adoption of Resolution 96-2280. Voting in favor: Councilors McFarland, Monroe and Washington.

Committee Issues/Discussion: Doug Butler, Director of Administrative Services gave a brief presentation concerning this Resolution and other actions, which will result in the construction of a new exhibit hall at the EXPO Center. The new hall will contain 120,000 square feet of exhibit space, cost up to \$13,000,000 and be completed by March of 1997.

Resolution No. 96-2280 would request the Multnomah County Board of Commissioners to amend its transient lodging tax to allow \$9,000,000 of Convention Center reserves to be used in support of the Expo Center expansion project. The resolution includes suggested amendment language that limits the use of tax-generated funds to this project. If Council adopts the resolution, it will be forwarded to the County for the Boards Consideration.

Mr. Butler noted that four additional items will need council approval to finalize this project:

1. Authorization of \$2.5 million in a privately placed revenue bond.
2. Supplemental budget action to recognize revenue from the bond.
3. A resolution approving the Phase II IGA with Multnomah County, moving EXPO to Metro.
4. Approval of construction contracts.

STAFF REPORT

RESOLUTION NO. 96-2280, REQUESTING MULTNOMAH COUNTY TO AMEND ITS TRANSIENT LODGINGS TAX ORDINANCE TO ALLOW TAX RECEIPTS TO BE USED TO FINANCE CONSTRUCTION OF A NEW HALL AT THE EXPO CENTER

Date: February 2, 1996

Presented by: Doug Butler

FACTUAL BACKGROUND AND ANALYSIS

Planning activities are underway for the construction of a new exhibit hall at the Expo Center, which will contain 120,000 square feet of exhibit space. This project is projected to be completed by March of 1997 at a cost not to exceed \$13 million. The financing for the project is proposed to consist of \$9 million in Oregon Convention Center reserves, \$1 million in Expo reserves, \$2.5 million from a privately placed revenue bond, and \$500,000 (if needed) from other sources that are currently being consulted. The most critical component of the financing package is the \$9 million of Convention Center funds, which constitutes approximately 70% of the proposed funding. This money is needed to pay for the project to minimize the debt load and finance this addition without additional tax resources.

Convention Center operations are supported by a 3% transient lodging, or hotel/motel, tax in Multnomah County. The Board of County Commissioners adopted this tax in 1986 specifically to support OCC operations, and the tax now produces over \$4.5 million in total annual revenue. The County's tax is incorporated in Multnomah County Code, with restrictions on its use; under the current provisions, use of Convention Center reserves is restricted to Convention Center operations, capital, and marketing.

Resolution No. 96-2280 would request the Multnomah County Board of Commissioners to amend its transient lodging tax ordinance to allow \$9 million of Convention Center reserves to be used in support of the Expo Center expansion project. The resolution includes suggested amendment language that limits the use of tax-generated funds to this project. If Council adopts the resolution, it will be forwarded to the County for the Board's consideration.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 96-2280.