

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 10-03

For the purpose of submitting to the Metro Council a proposal for the investment of \$465,982 from the Metro Tourism Opportunity and Competitiveness Account ("MTOCA") for capital projects at the Oregon Convention Center.

WHEREAS, the 2009-10 adopted budget includes a transfer of \$692,490 from Metro general fund MTOCA to the MERC Fund; and


WHEREAS, in Resolution No. 04-3494A, the Metro Council stated its desire that annual requests for appropriations from MTOCA be set out for discussion, consideration, and action in a manner separate and discrete from general budget process; and

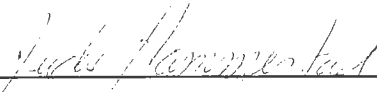
WHEREAS, at its public Budget Committee meeting on January 11, 2010, the MERC Budget Committee approved the recommendation from staff in regard to the use of MTOCA funds. The MERC Budget Committee directed the Oregon Convention Center's Executive Director to forward to the full Commission for approval and recommendation to the Metro Council, a request for the lighting and ballast replacement (\$125,000) and retrofit and divider wall refurbishment replacement and maintenance project (\$340,982) for a total amount of \$465,982 from the \$692,490 funds included in the 2009-2010 budget from the MTOCA.

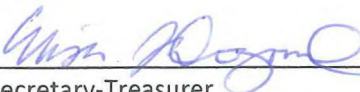
BE IT THEREFORE RESOLVED that MERC approves the recommendation to the Metro Council of an expenditure of \$465,982 of the \$692,490 MTOCA funds, previously budgeted during the general 2009-2010 budget process, and respectfully requests that the Metro Council approve the expenditure of \$465,982 for the lighting and ballast replacement/retro-fit and divider wall refurbishment/replacement and maintenance projects for the Oregon Convention Center, with the MTOCA funds.

Passed by the Commission on February 3, 2010.

Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 
Nathan A. Schwartz Sykes
Senior Assistant Attorney


Chair


Secretary-Treasurer

MERC STAFF REPORT

Agenda Item/Issue: For the purpose of submitting to the Metro Council a proposal to approval to fund two capital projects for the Oregon convention Center; 1) lighting and ballast replacement/retro-fit project and 2) divider wall refurbishment/replacement and maintenance for the Exhibit Halls/Oregon Ballroom/ABC Meeting Rooms project with an investment of \$465,982 from the Metro Tourism Opportunity and Competitiveness Account (MTOCA).

Resolution No.: 10-03

Presented By: Jeff Blosser

Date: February 3, 2010

Prepared By: Jeff Blosser/Cynthia Hill

Background and Analysis: The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and is recommending investment in:

Goal #3 Maintain the Oregon Convention Center in First Class Condition

- **Strategy A – Ensure sufficient funds for basic OCC cleaning, maintenance and event service.**

Approval of these two projects will enhance the overall ability for OCC Staff to keep the building in first class condition for our clients, reduce costs of the operation and improve the functionality of the facility for events. The light project replaces higher wattage light fixtures and ballast with energy efficient fixtures and ballast that will save OCC about \$75,000-\$80,000 a year on the electric bill, reduce labor to replace fixtures as the new fixture have a longer life and will leverage a \$235,000 grant OCC received from the Oregon Department of Energy which allows for this entire \$642,558 project to be done in one year instead of over two fiscal years. The Oregon Convention Center will apply for additional funding from the Business Energy Tax Credit (BETC) program and Utility Incentives (ETO). The Air Wall dividers on the original side of the facility are in need of major renovations, track, roller and trolley work, closer mechanism replacement, sound proofing, refurbishing of the exterior coverings and major maintenance to make sure they work properly and are not a safety hazard to our attendees and operations staff. This is a first phase of a project that was bid and will take two fiscal years to complete due to the cost and event related scheduling. Bids received came in under the staff estimate so the project will cost \$41,000 less than estimated in the original submission to the MERC Commission as a capital project for this budget cycle;

There is an appropriation of \$692,490 included in the 2009-10 Adopted Budget as "projects to be determined" for MTOCA funding. With the current year's allocation, MTOCA has funded a total of \$2,965.600 in Projects at the Oregon Convention Center since 2004. Exhibit "A" is a recap of the MTOCA project funding and actual expenditures by year. The following chart is a summary of resources and uses by fiscal year. The unspent balance represents the amount still available in the Headquarter Hotel budget. MTOCA funding for both 2007-08 FY and 2008-09 FY was dedicated to the Headquarter Hotel project.

	<u>Resource</u>	<u>Use</u>	<u>Balance</u>
Excise Tax from Metro 2004-05 FY	\$504,000	\$ 28,642	
Excise Tax from Metro, adjust to actual collected 2004-05 FY	36,143		
Excise Tax from Metro 2005-06 FY	636,208	348,126	
Excise Tax from Metro 2006-07 FY	652,113	1,140,551	
Excise Tax from Metro 2007-08 FY	669,720	980,865	
Excise Tax from Metro 2008-09 FY (incl. PY Adjustment)	746,146	462,656	
Excise Tax from Metro 2009-10	-	4,760	
Totals	<u>\$3,244,330</u>	<u>\$2,965,600</u>	<u>\$278,730</u>

Fiscal Impact:

The \$465,982 request is less than the approved appropriation of \$692,490 for MTOCA projects as included in the 2009-10 Adopted Budget.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 10-03, approving the expenditure of \$465,982 in MTOCA funds, previously budgeted during the general 2009-10 budget process, to fund two capital projects for lighting and ballast replacement/retro-fit and divider wall refurbishment/replacement and maintenance for the Oregon Convention Center, with funds from the Metro Tourism Opportunity and Competitiveness Account (MTOCA).

Metro Tourism Opportunity and Competitiveness Account
Oregon Convention Center
as of December 2009

	<u>Actuals</u> <u>2004-05</u>	<u>Actuals</u> <u>2005-06</u>	<u>Actuals</u> <u>2006-07</u>	<u>Actuals</u> <u>2007-08</u>	<u>Actuals</u> <u>2008-09</u>	<u>Actuals</u> <u>2009-10</u>	<u>Totals</u>
Resources							
Beginning Balance	-0-	475,358	127,232	311,145	35,563	283,490	-
Excise Tax from Metro 2004-05 FY	504,000						504,000
Excise Tax from Metro, adjust to actual collections 2004-05 FY			36,143				36,143
Excise Tax from Metro 2005-06 FY			636,208				636,208
Excise Tax from Metro 2006-07 FY			652,113				652,113
Excise Tax from Metro 2007-08 FY				669,720			669,720
Excise Tax from Metro 2008-09 FY (includes PY Adjustment)					746,146		746,146
Total Resources	<u>504,000</u>	<u>475,358</u>	<u>1,451,696</u>	<u>980,865</u>	<u>781,709</u>	<u>283,490</u>	<u>3,244,330</u>
Requirements							
Green Building LEED Certification (Goal 1 Strategy A)							
Retrofit existing building to meet LEED standards - Metro Ordinance 04-1064							
Rebuild chiller units and ventilation noise abatement	28,642	348,126	18,213		35,563		430,544
Replace Toilets/Urinals-Sloan uppercut flush valve			69,479				69,479
Variable Frequency Drives				129,148			129,148
Green Building LEED Certification			45,445	15,500			60,945
Subtotal Green Building LEED Certification	<u>28,642</u>	<u>348,126</u>	<u>133,137</u>	<u>144,648</u>	<u>35,563</u>	<u>-</u>	<u>690,116</u>
Audio Visual Control Room - original building (Goal 1 Strategy B)							
Replace analog system in original building due to failure and lack of replacement parts. - Metro Resolution 05-3613			1,007,414	130,934			1,138,348
Subtotal Audio Visual Control Room Project			<u>1,007,414</u>	<u>130,934</u>	<u>-</u>	<u>-</u>	<u>1,138,348</u>
Headquarter Hotel							
2007-08 MTOCA Funding Developer Agreement				669,720			669,720
2008-09 MTOCA Funding HQH project costs			-		462,656		462,656
2009-10 MTOCA Funding HQH carryover project costs						4,750	4,750
Subtotal Headquarter Hotel Year to Date	<u>-</u>	<u>-</u>	<u>-</u>	<u>669,720</u>	<u>462,656</u>	<u>4,750</u>	<u>1,137,126</u>
Total Requirements	<u>28,642</u>	<u>348,126</u>	<u>1,140,551</u>	<u>945,302</u>	<u>498,219</u>	<u>4,750</u>	<u>2,965,590</u>
Ending Balance (Resources less Requirements)	<u>475,358</u>	<u>127,232</u>	<u>311,145</u>	<u>35,563</u>	<u>283,490</u>	<u>278,740</u>	<u>278,740</u>

MTOCA Goals

- Goal 1 Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing
 - Strategy A -- Green Building LEED Certification
 - Strategy B -- OCC Operational Advantage
 - Strategy C -- Headquarters Hotel Related Investments

- Goal 2 Assist the Visitor Development Fund with Oregon Convention Center Facility
 - Strategy A -- Offset Facility Costs when VDI allocation not fully funded

- Goal 3 Maintain the Oregon Convention Center in First Class Condition
 - Strategy A -- Ensure sufficient funds for basic OCC cleaning, maintenance, and event service