

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 17-29

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Approved Budget for fiscal year 2017-18, and requesting amendment of the Capital Improvement Plan (CIP) FY 2017-18.

WHEREAS, Metro Code 6.01.050 provides that MERC shall annually prepare and approve an annual budget which shall, to the maximum extent permitted by law, consist of one commission-wide series of appropriations; and

WHEREAS, MERC previously approved and transmitted to the Metro Council the fiscal year 2017-18 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the Proposed Budget for fiscal year 2017-18 for the reasons described in the attached Staff Report.

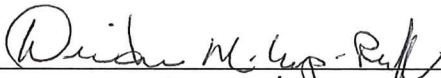
BE IT THEREFORE RESOLVED THAT,

1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018 for inclusion as part of the total Metro budget for this period.
2. MERC requests that the Metro COO present these amendments to the Proposed Budget to the Metro Council for ratification.

Passed by the Commission on October 4, 2017.


Chair

Approved as to Form:
Alison R. Kean, Metro Attorney


Secretary/Treasurer

By: 
Nathan A. S. Sykes, Deputy Metro Attorney

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council a FY 2017-18 Budget and Capital Improvement Plan (CIP) amendment to the MERC Fund.

Resolution No: 17-29

Presented By: Rachael Lembo, MERC Finance Manager

Date: October 4, 2017

Background and Analysis:

CIP Amendment – Oregon Convention Center

The OCC staff and setup supervisor support spaces date to 2002 and lack necessary infrastructure, equipment, and amenities for the number of staff who use the spaces for trainings, meetings, event briefings, breaks, meals, and as office space. This is both a functional issue and a staff morale issue. This two-level renovation project consists of the following scopes:

The at grade break room will receive a complete renovation and upgrade to its infrastructure and usability. The space will be reconfigured to create:

- A shift briefing room, including radio storage and audio-visual capability, for start of shift team huddles.
- A training area with four computer work stations available to staff for business messaging, training and other career development activities.
- A more functional dining area with additional microwaves, refrigerators, a larger dishwasher, new lighting, flooring and seating. The lunch break for most staff that use the space is a half-hour and the number of appliances is inadequate to support staff needs.
- Upgrades to the currently underserved HVAC, power and network capabilities.

The area directly above the break room on the second level will be renovated for the seven setup supervisors to improve infrastructure and usability. This work will include:

- Private and shared office spaces for the setup supervisors
- Meeting and training spaces for the setup supervisors
- An appropriately sized and secured storage space for supplies and materials
- Upgrades to the currently underserved HVAC, power, and network capabilities

Fiscal Impact

Originally there were two separate projects with different project numbers and budget appropriations to complete this work. The two projects were combined to gain efficiencies and cost savings in design, construction, project management and schedule. Combining the projects also minimizes safety risks by reducing the period of construction within the building.

The original budgets, estimated by the project architect, totaled \$380,000. The current combined and forecasted total budget, including recent construction bid results and project contingency, totals \$644,000. There are a number of scope elements that the architect did not include in the original scope that are increasing the project costs, including:

- Insufficient existing power and network infrastructure
- Insufficient HVAC distribution
- Replacement furniture for the setup supervisor office space
- Furniture for the new shared meeting and training spaces

In addition, the original estimate did not include cost escalation sufficient to address the rate of escalation experienced in the past 18 months.

Funding for the increase in project costs will come from undesignated capital fund reserves. The OCC's strong financial performance to budget the past several years has contributed additional funds that can be invested in capital improvements. Using these funds for this project does not reduce the budget of other OCC planned capital projects.

The FY17-18 budget appropriation for the two projects totals \$380,000. Sufficient budget appropriation exists within the MERC capital fund to cover the additional appropriation needed for this combined project. The appropriation is from the OCC Mass Notification Fire Alarm Upgrade project which was appropriated in both years but mostly competed in FY16-17.

FY 2017-18 Budget Impact – Oregon Convention Center CIP

Project Description	Project #	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget
Staff & Setup Supervisor Support Space Renovation	8R191	380,000	264,000	644,000
Emergency Notification Upgrade	8R163	305,000	(264,000)	41,000
Project Subtotal:		\$685,000	\$0	\$685,000

CIP Amendment – Portland’s Centers for the Arts

Capital project amendments range from new projects to budget adjustments between fiscal years with no change in project budget. To emphasize what type of change is proposed, and provide additional explanation for new or expanded projects, the Portland’s amendments have been broken out into three categories, as defined below.

- New projects or projects with budget increases
- Carry forward of unspent prior year funds for projects that were not completed
- Timing adjustments to the five-year CIP schedule

The following changes are new or expanded projects:

- The Arlene Schnitzer Concert Hall Orchestra Shell Replacement project is a new request. It is currently in the planning stage. This amendment requests approval of a \$3.2 million project, with \$1.3 million budgeted in FY 2017-18 and the remainder in FY 2018-19.
 - o The current orchestra shell is 33 years old and in need of replacement. It was identified in the Rigging Inspection Report dated 05/27/15 as requiring repair or replacement “sooner than later.” To ensure that the shell could be used safely during the 2017/2018 Symphony season, P’s replaced some rigging. The shell itself cannot be repaired because parts are not available due to the age of the shell. Design standards and codes have also changed and the way the shell is installed is no longer considered a best safety practice. Replacing the traditional shell eliminates the need for heavy shell components and complex rigging, promoting ease of show set up and increasing safety for stage crew and operations staff.
 - o Another reason to replace the shell with an acoustic system is that the shell does not work for all of the types of music/performances that P’s offers and strives to offer to its diverse and expanding audience. This is because only orchestras use the shell. All users will benefit from the digital acoustical system. In addition the shell configuration does not work for the primary users, The Oregon Symphony. As the orchestra grows it does not fit within the shell and it does not allow the musicians to hear each other effectively.

The proposed solution of a digital system for acoustic applications would significantly enhance the sound quality/effects of various types of performances, without altering the architecture and construction of the performance space. The digital acoustical system would create more opportunities to reach diverse audiences by providing flexibility that will allow for a larger variety of music/performances. Additionally, select Symphony musicians have tested and approved the acoustical system.

- o This amendment prioritizes the shell replacement because it will require 10-12 weeks of dark time in the Concert Hall and those weeks are available in July-August of 2018. The next opportunity for replacement would be 2019 or later based on the availability of the hall.

- The Hatfield Hall Roof project is currently in the design stage. This amendment requests an increase from \$50k to \$150k for design and engineering. A budget for construction will be developed after design and is expected to be presented with the FY 2018-19 budget proposal and CIP.
 - o The roof of Hatfield Hall is past its useful life. Additionally the parapet wall assemblies and surfaces are damaged as a result of improper detailing and are in need of repair. MERC requires architectural, roofing consulting, and engineering design services from a qualified firm for the purpose of preparing comprehensive construction documents to be used for soliciting bids for construction for the Hatfield Hall Roof Replacement and Parapet Wall Repair. The design will also be expanded to include green roof recommendations that fall in line with Metro sustainability goals.

FY 2017-18 Budget Impact – Portland’s CIP, new/expanded projects

Project Description	Project #	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget
Schnitzer Orchestra Shell Replacement	8R092	25,000	1,330,000	1,355,000
Hatfield Hall Roof	8R179	50,000	100,000	150,000
Project Subtotal:		\$75,000	\$1,430,000	\$1,505,000

The following changes carry forward unspent FY 2016-17 funds for projects that were not completed by June 30, 2017.

The following projects were budgeted for and in progress in FY 2016-17, however some costs were not incurred until FY 2017-18. The amendments below are large projects that spill into additional years. They do not represent a change in the overall project budget, instead they are allocating budget amounts to FY 2017-18 since costs spanned fiscal years. The increased budget amounts in FY 2017-18 are funded by savings from unspent budget amounts in the prior year, as shown below.

FY 2017-18 Budget Impact – Portland’s CIP, unspent PY funds

Project Description	Project #	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget	FY 2016-17 Unspent Budget
Newmark Lighting Overhaul Phase II & III	8R089	550,000	123,063	673,063	123,063
Winningstad - House Lighting Control & Dimmers	8R090	200,000	73,550	273,550	73,550
Newmark LED Cyclorama Light Fixtures	8R143	0	70,000	70,000	75,000
Keller – Roof and Drains Replacement	8R098	0	90,000	90,000	240,709
ASCH – Portland Sign Assessment and Refurbishment	8R099	0	150,000	150,000	206,654
ASCH – Cooling Tower and Associated Piping (design portion)	8R120	0	10,000	10,000	27,696
Project Subtotal		\$750,000	\$516,613	\$1,266,613	\$837,307

The following changes are due to timing adjustments on the five-year CIP schedule.

Some move projects in or out of FY 2017-18, which impacts the current year budget, while others move projects in the outlying years only. These changes are necessary as priorities change based on need. All projects are described below, but only the changes impacting the current year budget are shown in the FY2017-18 Budget Impact table. The revised five year CIP is included as Attachment 1.

- The Keller Backstage Dressing Tower Elevator Overhaul project is currently on hold, and has been shifted to year FY2021-22 on the five year CIP schedule. A facility review, including seismic upgrades, is being performed for the Keller, and until it is complete non-essential projects will be delayed. This amendment decreases the budget for this project from \$300k to \$0.
- The ArtBar bar replacement is postponed due to a delay in the point of sale upgrade. Originally \$200k was budgeted in FY2017-18, however \$125k of that is shifting to FY 2018-19. The \$75k will be used on design in the current year.
- The Antoinette Hatfield Hall rotunda doors replacement project has been postponed until FY 2018-19.

- The timeline for the Arlene Schnitzer Concert Hall elevators overhaul has been shifted to July and August of 2018 to take advantage of the dark time. The following amendment has no FY 2017-18 budget impact, but shifts the timing of costs from FY 2020-21 and FY 2021-22 to FY 2018-19. The estimated project cost of the front of house elevators remains the same, \$300k, while the back of house elevators has decreased from \$485k to \$400k.

FY 2017-18 Budget Impact – Portland’s CIP, 5 year CIP updates

Project Description	Project #	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget
Keller Backstage Dressing Tower Elevator Overhaul	8R175	300,000	(300,000)	0
ArtBar bar replacement	85108	200,000	(125,000)	75,000
Hatfield Hall rotunda doors	8R180	75,000	(75,000)	0
Project Subtotal:		\$575,000	(\$500,000)	\$75,000

Total FY 2017-18 Budget Impact – Portland’s CIP

	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget
New/expanded projects	75,000	1,430,000	1,505,000
Carry forward of unspent FY 2016-17 funds	750,000	516,613	1,266,613
Timing adjustments to the five year CIP	575,000	(500,000)	75,000
Total CIP Amendment	\$1,400,000	\$1,446,613	\$2,696,613
Contingency	\$11,254,813	(\$1,446,613)	\$9,808,200

Portland Expo Center – Capital Projects

Capital project amendments range from new projects to budget adjustments between fiscal years with no change in project budget. To emphasize what type of change is proposed, and provide additional explanation for new or expanded projects, the amendments have been broken out into three categories, as defined below.

- New projects or projects with budget increases
- Carry forward of unspent prior year funds for projects that were not completed

The following change is a new project:

- A new building is proposed as Phase III of the Expo Shore Power Improvements. Phase I extended PGE Power to the Expo’s Lower Lot 1 area and provided the infrastructure for the utility’s power transformer. Phase II provided site improvements including the utility extension to a new foundation and 14’x22’ concrete pad for the Electrical Switchgear to be installed and energized.

The proposed Phase III building will be a utility Concrete Masonry Unit (CMU) block building to permanently house the electrical infrastructure improvement (switchgear). The building will be basic in nature with only minimal lighting and HVAC requirements as necessary and will fit the existing 14’x22’ foundation and concrete pad. This improvement is a PGE requirement/stipulation to provide a safe and compliant facility for PGE and/or Expo staff as they interact with the new switchgear.

The estimated costs for Phase III were developed by the Architect at the current commercial construction rates plus a small contingency to cover City of Portland requirements.

FY 2017-18 Budget Impact – Expo CIP, new projects

Project Description	Project #	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget
PGE Upgrades	TBD	0	100,000	100,000
Project Subtotal:		\$0	\$100,000	\$100,000

The following changes carry forward unspent FY 2016-17 funds for projects that were not completed by June 30, 2017.

The following projects were budgeted for and in progress in FY 2016-17, however some costs were not incurred until FY 2017-18. The amendments below are large projects that spill into additional years. They do not represent a change in the overall project budget, instead they are allocating budget amounts to FY 2017-18 since costs spanned fiscal years. The increased budget amounts in FY 2017-18 are funded by savings from unspent budget amounts in the prior year, as shown below.

FY 2017-18 Budget Impact – Expo CIP, unspent PY funds

Project Description	Project #	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget	FY 2016-17 Unspent Budget
Electronic Signage & Landscaping	8N011	0	47,548	47,548	47,548
Halls D & E Roof Replacement	8R136	1,898,750	20,939	1,919,689	20,939
Security Camera Access Control System	8R112	0	82,138	82,138	82,138
Audio Visual Equipment	8R135	0	11,867	11,867	11,867
Project Subtotal		\$1,898,750	\$162,492	\$2,061,242	\$162,492

Total FY 2017-18 Budget Impact – Expo CIP

	FY 17-18 Current Budget	Amendment	FY 17-18 Amended Budget
New/expanded projects	0	100,000	100,000
Carry forward of unspent FY 2016-17 funds	1,898,750	162,492	2,061,242
Total CIP Amendment	\$1,898,750	\$262,492	\$2,161,242
Contingency	\$2,923,000	(\$262,492)	\$2,660,508

Fiscal Impact: This action will amend the FY 2017-18 Adopted Budget as shown above. The revised five year CIP is included as Attachment 1.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 17-29.

Portland'5 CIP Summary

	ID	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Portland'5 Centers for the Arts Projects							
P5 ASCH Backstage Elevator Overhaul	P5TBD73	-	-	-	-	-	-
P'5 Capital projects < \$100k		420,000	355,000	75,000	60,000	-	910,000
ASCH Shell Rigging	8R092	1,355,000	1,845,000	-	-	-	3,200,000
P'5 - AHH Newmark Lighting System Overhaul - Phase II	8R089	673,063	-	-	-	-	673,063
P'5 - AHH Winingstad House Lighting Controls & Dimmers	8R090	273,550	-	-	-	-	273,550
P5 AHH/ASCH/Keller Access Control/CCTV replacement	P5TBD31	200,000	-	-	-	-	200,000
ASCH - Portland Sign Assessment & Refurb Scoping	8R099	150,000	-	-	-	-	150,000
P5 AHH Food Service PO system replacement	P5TBD32	130,000	-	-	-	-	130,000
P5 ASCH/Keller Main Curtain/Organ Loft Curtains	8R183	100,000	-	-	-	-	100,000
P5 AHH Roof	8R179	150,000	300,000	-	-	-	450,000
P5 ArtBar Bar Rplcmnt	85108	75,000	325,000	-	-	-	400,000
P5 ASCH Chamber Lighting	8R177	25,000	150,000	-	-	-	175,000
ASCH - Cooling Tower Replacement	8R120	10,000	350,000	-	-	-	360,000
P5 Keller Wall Panels	8R145	-	3,000,000	-	-	-	3,000,000
P5 ASCH Piano Replacement	P5TBD71	-	550,000	-	-	-	550,000
P5 Keller Building HVAC Controls & Stage HVAC	P5TBD56	-	500,000	-	-	-	500,000
P5 ASCH BOH Elevators Overhaul	P5TBD68	-	400,000	-	-	-	400,000
P5 Keller HVAC Controls Upgrades (R&R)	P5TBD15	-	350,000	-	-	-	350,000
P5 ASCH FOH Elevators Overhaul	P5TBD69	-	300,000	-	-	-	300,000
P5 Keller Main Switchgear (R&R)	8R155	-	300,000	-	-	-	300,000
P5 Keller Electric Panels	8R158	-	300,000	-	-	-	300,000
P5 AHH - Backstage Elevator Overhaul	8R121	-	270,000	-	-	-	270,000
AHH, ASCH, Keller - Stage Doors and Office Plan	8R101	-	200,000	-	-	-	200,000
P5 ASCH Broadway Marquee	P5TBD55	-	175,000	200,000	-	-	375,000
P5 AHH Rotunda/Bistro Carpet Replacement	P5TBD53	-	150,000	-	-	-	150,000
P5 Keller Interior Paneling Repairs	P5TBD52	-	100,000	-	-	-	100,000
P5 ASCH Roof Drains	P5TBD51	-	100,000	-	-	-	100,000
P5 AHH/ASCH/Keller ADA updates	P5TBD47	-	30,000	50,000	-	95,000	175,000
P5 AHH FOH Elvtr Ovrhl	8R152	-	-	575,000	-	-	575,000
P5 Keller Stage Pit Lifts Overhaul	P5TBD66	-	-	350,000	-	-	350,000
P5 Keller Carpet Front of House	P5TBD64	-	-	150,000	-	-	150,000
P5 Keller Main Speakers	P5TBD65	-	-	150,000	-	-	150,000
P5 ASCH Park Street Marquee	P5TBD63	-	-	125,000	175,000	-	300,000
P5 ASCH Seat cushion/fabric replacement	P5TBD62	-	-	100,000	100,000	-	200,000
P5 AHH Storage Racking System	P5TBD61	-	-	100,000	-	-	100,000
P5 AHH Demand Control Ventilation HVAC	P5TBD57	-	-	20,000	125,000	-	145,000
P5 AHH EIFS Replacement Phase III	P5TBD70	-	-	-	400,000	-	400,000
P5 Keller FOH Elevator Overhauls	P5TBD59	-	-	-	-	650,000	650,000
P5 Keller Backstage Dressing Tower Elevator	8R175	-	-	-	-	300,000	300,000
P5 AHH Freight Elevator Overhaul	P5TBD72	-	-	-	-	100,000	100,000
Information Systems and Property and Eviron. Services							
Projects							
VOIP Phone System Upgrade Phase II	65701C	141,521	-	-	-	-	141,521
VOIP Phone System Upgrade	65701B	72,600	-	-	-	-	72,600
Portland'5 Centers for the Arts Fund Total		\$3,775,734	\$10,050,000	\$1,895,000	\$860,000	\$1,145,000	\$17,725,734
Total changes in proposed amendment		\$1,446,613	\$2,745,000	\$0	(\$300,000)	(\$185,000)	\$4,481,613

Expo Center CIP Summary

	ID	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Expo Fund							
Expo Capital projects < \$100k		421,553	185,000	205,000	-	150,000	961,553
Expo - Hall D Roof Repairs/Replacement	8R136	1,919,689	975,000	-	-	-	2,894,689
Expo - POS Micros System	EXTBD16	160,000	-	-	-	-	160,000
Expo - Hall A Elec. transformer/LP1 Shore Power /Cirque	EXTBD31	150,000	-	-	-	-	150,000
Expo - Parking Lot Asphalt Maintenance / Replacement	8R040	135,000	60,000	60,000	60,000	60,000	375,000
Expo - Connector Glass Door	85106	120,000	45,000	-	-	-	165,000
Expo - PGE Upgrades	TBD	100,000	-	-	-	-	100,000
Expo - Roof Repair - Halls ABC Minor Repairs	8R135	80,000	135,000	10,000	10,000	10,000	245,000
Expo - WiFi - Telecommunications Upgrade	8R139	80,000	-	-	50,000	-	130,000
Expo - Hall C HVAC Study and Installation	EXTBD25	35,000	250,000	-	-	-	285,000
Expo - Lighting Control review and install - Halls ABCDE	EXTBD30	20,000	150,000	-	-	-	170,000
Expo - Sport Court / Futsol	EXTBD23	-	175,000	-	-	-	175,000
Expo - Hall C Roof Recoat	EXTBD49	-	125,000	-	-	-	125,000
Expo - Halls ABC Interior Paint (R&R)	EXTBD12	-	120,000	-	-	-	120,000
Expo - UP4 New Storage Building	EXTBD19	-	50,000	250,000	-	-	300,000
Expo - Expo Website Update	EXTBD32	-	50,000	200,000	-	-	250,000
Expo - Facility Wide Door review / install / security	EXTBD27	-	35,000	250,000	-	-	285,000
Expo - Electrical Equipment (New Bus/Capital)	EXTBD06	-	-	150,000	-	-	150,000
Expo - Hall D Kitchen Office Conversion	EXTBD17	-	-	35,000	300,000	-	335,000
Expo - Hall D Storage Office Conversion	EXTBD18	-	-	35,000	300,000	-	335,000
Expo - Roof Repair - Hall E Loading Dock (TLT Pooled)	EXTBD02	-	-	-	375,000	330,000	705,000
Expo - Facility Wide Overhead Door review / install	EXTBD28	-	-	-	35,000	250,000	285,000
Expo - Parking Entry System and Loop Replacement	EXTBD50	-	-	-	-	700,000	700,000
Expo - Hall E HVAC	EXTBD39	-	-	-	-	290,000	290,000
Information Systems and Property and Eviron. Services Projects							
VOIP Phone System Upgrade Phase II	65701C	70,740	-	-	-	-	70,740
VOIP Phone System Upgrade	65701B	37,200	-	-	-	-	37,200
Expo Center Fund Total		\$3,329,182	\$2,355,000	\$1,195,000	\$1,130,000	\$1,790,000	\$9,799,182
Total changes in proposed amendment		\$262,492	\$0	\$0	\$0	\$0	\$262,492