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# **MERC Budget Committee Meeting**

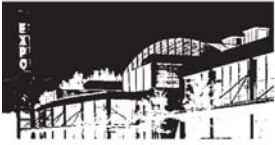
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January 24, 2018  
3:00pm

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Oregon Convention Center  
King Board Room

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600 NE Grand Ave.  
 Portland, OR 97232  
 503-797-1780

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 **Metro** | *Exposition Recreation Commission*  
**Agenda**

Meeting: MERC Budget Committee Meeting  
 Date: Wednesday, January 24, 2018  
 Time: 3:00-5:00 p.m.  
 Place: Oregon Convention Center, King Board Room

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**CALL TO ORDER**

- |             |           |   |   |
|-------------|-----------|---|---|
| <b>3:00</b> | <b>1.</b> | <b>INTRODUCTION</b>   | <b>Commissioner Krys-Rusoff</b>         |
| <b>3:10</b> | <b>2.</b> | <b>CAPITAL PROJECTS</b>   | <b>Rachael Lembo</b>                    |
|             |           | <ul style="list-style-type: none"> <li>• Capital Project Process</li> <li>• Capital Improvement Plan (CIP) Overview</li> <li>• Funding Sources</li> <li>• Ending Fund Balance</li> </ul>                            |   |
|             |           | <b>Expo Center</b>  | <b>Matthew P. Rotchford/Chuck Dills</b> |
|             |           | <ul style="list-style-type: none"> <li>• 5-Year Capital Improvement Plan (CIP)</li> <li>• FY17-18 to FY18-19 CIP Reconciliation</li> <li>• FY18-19 Project Highlights</li> <li>• 5-Year Forecast Summary</li> </ul> |   |
|             |           | <b>Portland's Centers for the Arts</b>  | <b>Robyn Williams/Julie Bunker</b>      |
|             |           | <ul style="list-style-type: none"> <li>• 5-Year Capital Improvement Plan (CIP)</li> <li>• FY17-18 to FY18-19 CIP Reconciliation</li> <li>• FY18-19 Project Highlights</li> <li>• 5-Year Forecast Summary</li> </ul> |   |
|             |           | <b>Oregon Convention Center</b>   | <b>Craig Stroud/Matthew Uchtman</b>     |
|             |           | <ul style="list-style-type: none"> <li>• 5-Year Capital Improvement Plan (CIP)</li> <li>• FY17-18 to FY18-19 CIP Reconciliation</li> <li>• FY18-19 Project Highlights</li> <li>• 5-Year Forecast Summary</li> </ul> |   |
| <b>4:55</b> | <b>3.</b> | <b>Commission Budget Process Review</b>   | <b>Rachael Lembo</b>                    |
|             |           | <b>ADJOURN</b>  |   |

## MERC Budget Committee – Capital Projects

### Overall MERC Proposed 5-Year Capital Plan Summary

As proposed, the MERC venues will invest nearly \$100 million in their capital assets over the next five years.

MERC 5-Year Capital Plan Summary  
(in millions)

	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>FY2020-21</b>	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>TOTAL</b>
OCC	35,400	10,300	6,100	15,600	9,200	76,600
Portland'5	7,000	3,200	3,100	1,800	300	15,400
Expo	1,100	900	1,100	1,300	1,000	5,400
Total	43,500	14,400	10,300	18,700	10,500	97,400

### Capital Project Process

Beginning this year, each department at Metro completed a Capital Project Prioritization Rubric. The rubric asked Operations Directors to rate each project in multiple categories, including health /safety risk, compliance, business risk, operational and financial impacts, and sustainability and DEI impacts. Based on the combined rating from those categories, plus any facility specific considerations, the project was either placed into the Capital Improvement Plan or marked as deferred. The venues assessed available funding using the five year forecasts that were presented to the MERC Commission in November 2017.

The next stage involved determining which fiscal year the project should be completed. Many projects span two fiscal years – one to complete design and engineering, and the second year for construction. The Operations teams considered priority of projects, available funding and the effect of timing on operations. Each venue completed a project timeline for all FY18-19 projects. In addition, they discussed with the Capital Project Management Office to ensure any CPMO managed projects were scheduled appropriately. As a result of these discussions the CPMO Project Manager resources were increased from 2.0 FTE to 3.5 FTE.

### Capital Improvement Plan (CIP) Overview

#### *Reading the CIP*

Each venue creates their own 5 year CIP, which consists of capital projects and capital maintenance estimated to cost \$50,000 or more. The CIP is organized by fiscal year and by cost, which puts the most expensive projects of the upcoming fiscal year at the top of the list. The projects in the FY18-19 column will be included in the proposed FY18-19 budget. Ongoing capital maintenance costs are separated and shown below capital projects.

#### *FY17-18 to FY18-19 CIP Reconciliation*

The reconciliation tracks changes between the FY17-18 CIP and the FY18-19 CIP. While these two documents are related there are changes, including:

- Completed Projects – projects budgeted to be completed in FY17-18, and thus not included on the FY18-19 CIP
- New Projects – projects added to the CIP for the first time in FY18-19

## MERC Budget Committee – Capital Projects

- Deferred Projects – projects included on the FY17-18 CIP and not completed, but deferred due to a change in funding or priorities
- Project Changes – projects included on the FY17-18 CIP that are also on the FY18-19 CIP, but with a different projected cost

### *FY18-19 Capital Project Descriptions*

A listing of project descriptions for projects budgeted in FY18-19 is included in the packet. Each venue will select one project to present at the meeting.

### *Impact to the 5 Year Forecast*

At the November 1, 2017 MERC Budget Retreat, staff shared with the Commission the 5-Year Financial Forecast for each venue. Included in each venue's section of this packet is an updated 5-Year forecast summary with revised 5-Year Capital Plan expenditures.

### **Funding Sources**

Each venue has a reserve within fund balance for Renewal & Replacement, which can be used to fund capital projects. In addition the following sources provide funding for capital projects.

### *TLT Pooled Capital Allocation Proposal*

Each year Metro receives an amount for TLT Pooled Capital from the TLT Excise Tax Fund. After the Excise Tax Fund has paid the set allocations, primarily for OCC and Portland's operations, any remaining funds are Pooled Capital.

Prior to FY2017-18, Pooled Capital was received by the MERC Admin Subfund, and used to reimburse OCC and Expo for capital project costs. During the FY2017-18 budget process it was approved to maintain \$5 million in MERC Admin and allocate the remaining balance and new collections 85% to OCC and 15% to Expo. Those allocations are unchanged in FY2018-19.

TLT Pooled Capital - Actuals and *Estimates*  
(in millions)

<u>FY2013-14</u>	<u>FY2014-15</u>	<u>FY2015-16</u>	<u>FY2016-17</u>	<u>FY2017-18</u>
2,700	4,900	6,700	6,500	7,000
<u>FY2018-19</u>	<u>FY2019-20</u>	<u>FY2020-21</u>	<u>FY2021-22</u>	<u>FY2022-23</u>
7,500	7,700	8,200	8,500	8,900

### *Aramark Capital Contribution*

Part of the negotiated five-year agreement with Aramark is a cash contribution for capital projects. MERC renewed its partnership with Aramark in 2014, negotiating a total capital contribution of \$2.75 million. The Aramark contribution budgeted in each venue's Capital plan represents the venue's share of the contribution amortized over the five year contract.

### *Other funding*

There are two sources of other funding in this five year CIP: \$3 million directly or indirectly from the Oregon Symphony towards the Arlene Schnitzer Concert Hall shell replacement, and \$100,000 from Cirque du Soleil for parking lot improvements prior to their return in FY2019-20.

**Portland Expo Center CIP Summary**  
**Fiscal Year 2019**

	Prior Years	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Hall C HVAC Study and Installation	35,000	200,000	-	-	-	-	235,000
* Cirque Parking lot Improvements	-	200,000	-	-	-	-	200,000
Lighting Control review and install - Halls ABCDE	20,000	150,000	-	-	-	-	170,000
Hall C Roof Recoat	-	125,000	-	-	-	-	125,000
* Hall C Enhancements	-	100,000	-	-	-	-	100,000
* Halls D&E Solar	-	50,000	-	-	-	-	50,000
Security Gates and Fencing	-	42,000	50,000	-	-	-	92,000
UP4 New Storage Building	-	40,000	250,000	-	-	-	290,000
Expo Website Update	-	40,000	100,000	-	-	-	140,000
Portable Concession Kiosks	-	35,000	-	-	-	-	35,000
Facility Wide Door review / install / security	-	20,000	150,000	-	-	-	170,000
Hall A Carpet Paint	-	10,000	90,000	-	-	-	100,000
Halls ABC Interior and Exterior Paint (R&R)	-	-	120,000	120,000	-	-	240,000
Facility Wide Drinking Fountain replacement	-	-	50,000	-	-	-	50,000
Hall D Storage Office Conversion	-	-	35,000	300,000	-	-	335,000
Hall D Kitchen Office Conversion	-	-	20,000	300,000	-	-	320,000
* Electronic Reader Board Upgrade	-	-	-	100,000	-	-	100,000
* Sustainability upgrades	-	-	-	75,000	-	-	75,000
Facility Wide Overhead Door review / install	-	-	-	35,000	250,000	-	285,000
Parking Lot Improvements	-	-	-	-	700,000	-	700,000
Hall D & E HVAC - Condition Analysis & Repair Budget	-	-	-	-	135,000	-	135,000
Hall D/E Compressed Air	-	-	-	-	50,000	-	50,000
Hall E Flat Roofs	-	-	-	-	35,000	750,000	785,000
* UP2 North Walkway Cover	-	-	-	-	25,000	50,000	75,000
Expo Road Relocation	-	-	-	-	-	25,000	25,000
<b>Subtotal Capital Projects</b>	<b>55,000</b>	<b>1,012,000</b>	<b>865,000</b>	<b>930,000</b>	<b>1,195,000</b>	<b>825,000</b>	<b>4,882,000</b>
<b>Ongoing Capital Maintenance</b>							
Security Cameras / Access Controls		75,000	10,000	66,500	50,000	150,000	351,500
Parking Lot Asphalt Maintenance / Replacement		-	62,000	64,500	67,080	69,763	263,343
<b>Subtotal Ongoing</b>		<b>75,000</b>	<b>72,000</b>	<b>131,000</b>	<b>117,080</b>	<b>219,763</b>	<b>614,843</b>
<b>TOTAL Portland Expo Center</b>	<b>\$55,000</b>	<b>\$1,087,000</b>	<b>\$937,000</b>	<b>\$1,061,000</b>	<b>\$1,312,080</b>	<b>\$1,044,763</b>	<b>\$5,496,843</b>

## Portland Expo Center

FY17-18 to FY18-19 CIP Reconciliation

<b>FY2017-18 CIP</b>	<b>9,799,182</b>
Completed Projects	(3,855,177)
New Projects	600,000
Deferred Projects	(1,056,867)
Project Changes	9,705
<b>FY2018-19 CIP</b>	<b>5,496,843</b>

### Projects with significant changes:

<b>Project</b>	<b>FY17-18 Total Project Cost</b>	<b>FY18-19 Total Project Cost</b>	<b>Inc/(Dec)</b>	<b>Explanation</b>
Security Gates and Fencing	20,000	92,000	72,000	Scope increase - additional areas
Expo Website Update	250,000	140,000	(110,000)	Revised cost estimate
Portable Concession Kiosks	50,000	35,000	(15,000)	Revised cost estimate
Facility Wide Door review	285,000	170,000	(115,000)	Revised cost estimate
Hall A Carpet Paint	-	100,000	100,000	Deferred project added back
Halls ABC Interior and Exterior Paint	120,000	240,000	120,000	Scope increase - added exterior paint
Hall D & E HVAC	290,000	135,000	(155,000)	Revised cost estimate
Security Cameras / Access Controls	132,138	351,500	219,362	Scope increase - addt'l cameras
Parking Lot Asphalt Maintenance	375,000	263,343	(111,657)	FY17-18 included addt'l work
Other changes (minor)			5,000	
		<b>Total</b>	<b>\$9,705</b>	

## Portland Expo Center FY2018-19 Capital Projects

### **Hall C HVAC Study and Installation – FY18-19 budget \$200,000; Total Project budget \$235,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- During the Expo Project, this project was noted as adding sales potential to expand availability of Hall C exhibit hall space by cooling and temperature control, representing six months of positive impact.
- Expo Project listed Hall C as the most feasible for current investments. Study (Phase 1 of 2) to analyze and verify feasibility and functionality for a building of this age, size and design.
- Provides campus continuity and comfort control for 2/3 of the campus allowing for expansion into additional 60,000 square feet during April – September high heat months in the NW.
- *ROI*: Current heating system is not energy efficient. Space improvements for HVAC will assist both with cooling and heat.

### **Cirque Parking Lot Improvements – FY18-19 budget \$200,000 (\$100,000 funded by Cirque)**

Funding Source – *TLT Pooled Capital – M&S / Cirque du Soleil*

PM: cPMO/Expo

- Cirque du Soleil multi-year agreement requires refurbishing Lower Lot 1 to accommodate their event needs and reduce move-in timelines.
- *ROI*: Cirque du Soleil has offered \$100,000 investment capital to begin construction of three key areas: reduce graded slope of performance area, remove existing light poles and replace with perimeter lighting, and install permanent tent anchor points for tent. Partnering with Cirque encourages continued investment in the Expo Center location.
- *Safety*: Project would limit ongoing site construction, allow safety anchors to be regulated, and lighting coverage would protect public attendees and staff additional safety and security
- *Sustainability*: Project offers storm water capture upgrades that could include exploration in to pervious surfaces

### **Exhibit Hall Lighting Control Study and Review – FY18-19 budget \$150,000; Total Project budget \$170,000**

Funding Source – *TLT Pooled Capital*

PM: Expo

- Successful installation of recent exhibit hall lighting upgrade requires enhanced control system.
- Current lighting will remain, control system and interface will be upgradable. Phase 1 to include review and analysis of system for best product available. Phase 2 is implementation and installation of lighting control and necessary hardware.
- *Sustainability*: Improve lighting controls will make us more energy efficient.
- *ROI*: Increased control system allows for greater efficiency and reduced expense.

### **Hall C Roof Recoat – FY18-19 budget \$125,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Renew Hall C roofing silvercoat applied five years prior. Extend life.
- Following review, roof maintenance is recommended to extend existing roof life
- *ROI*: Review and reports have determined that roof restoration will not meet ROI, general maintenance is recommended to promote prolonged useful life.
- *Safety*: Current roof system requires regular repair of water leaks. Client and employee safety for slip and falls poses significant risk if not addressed.
- *Sustainability/Environmental Impact*: A complete tear off of the roof will end up in the landfill – by restoring the roof, we will prevent this from happening. Silver coating reflects light and heat.

## **Portland Expo Center FY2018-19 Capital Projects**

### **Hall C Study and Enhancements (Expo Project) – FY18-19 budget \$100,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- During the Expo Project, Hall C was noted as not having a sufficient professional entry or lobby – this project will analyze options and improvements possible for the current space.
- Expo Project also noted a number of simple cosmetic improvements that could be undertaken as well as a number of portable event items such as truss, drape, carpet or flex walls that can improve the space use.
- *ROI*: Sales is the driver here. Adding cooling alone will not provide the ROI. Expanded use in an otherwise quiet timeline for the Hall C space will drive the return and sales revenues.

### **Halls D and E Solar – FY18-19 budget \$50,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Funding to study solar opportunities for the Expo campus, RFI and review of use or lease offering.
- Increasing electrical utility costs annually require sustainable solutions, ROI currently tbd.
- *Sustainability*: Solar offers opportunity to showcase Metro’s sustainability efforts as well as some improvements to reduce energy costs

### **Security Gates and Fencing – FY18-19 budget \$42,000; Total Project budget \$92,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Add additional security gates and tall fencing to limit access to property – separates lower/upper lots.
- Facility security assessment by GB Manchester recommends upgrades to campus fencing to decrease security risk. Recommendations allow “choke points” in key areas to limit access and reduce threats.
- *ROI*: Limited access may reduce the need of security personnel for events
- *Safety*: According to the security assessment the facility is identified as a “soft target” and the recommendation is to increase fencing, gates and security cameras to reduce risk

### **UP4 New Storage Building – FY18-19 budget \$40,000; Total Project budget \$290,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Study and review for basic structure or storage containers to house rolling stock including chairs and tables or other non-temperature sensitive storage. Study and cost reviews in FY19.
- Plans to repurpose existing storage (Hall D) requires alternative. New build would accommodate this move. Study would also review costs and use alternatives/efficiencies for 3,000 sq. ft. space.
- *Safety*: Existing rolling stock requires secure lockup location. New building would offer this security.

### **Expo Website Update – FY18-19 budget \$40,000; Total Project budget \$140,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Redesign and update of [www.expocenter.org](http://www.expocenter.org). Initial study with FY20 completion.
- *ROI*: A new and more intuitive website will drive bookings and advanced ticket sales; therefore increasing the number of events, attendance and revenue at the Expo Center.



## **Portland Expo Center FY2018-19 Capital Projects**

### **Aramark Portable Concession Kiosks (Food Trailer/Trucks) – FY18-19 budget \$35,000**

Funding Source – *Aramark Capital Contribution – M&S*

PM: Expo/Aramark

- Purchase of one or two mobile food carts, support – compliments Connector project improvement
- Campus improvements allow new indoor/outdoor F&B space opportunities. Food carts would allow flexibility in offerings to meet client demand.
- *ROI:* Savings from staffing for set-up/tear down. New look and opportunity with varied menu options.
- *Safety:* Self contained unit with grill, fryer and cooling. Indoor / Outdoor uses.

### **Facility Wide Door Review and Install – FY18-19 budget \$20,000; Total Project budget \$170,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Repair and/or replace entry and fire exit doors
- Aging facility has multiple public access and fire exit doors in need of replacement.
- *Safety:* As required by the Fire Marshal, locking mechanisms on several entry and exit doors need to be replaced to restore functionality and meet safety codes

### **Hall A Carpet and Paint – FY18-19 budget \$10,000; Total Project budget \$100,000**

Funding Source – *TLT Pooled Capital – M&S*

PM: cPMO/Expo

- Based on square footage estimates for a similar project completed for Halls D and E, this completes our “front door” lobby entry enhancements.
- Funding includes design and addition of Meeting Room A101 and potentially East Hall.
- Project stalled previously due to roof condition repairs required prior to paint/carpet investment.

### **Security Cameras / Access Controls – FY18-19 budget \$75,000**

Funding Source – *TLT Pooled Capital – M&S*

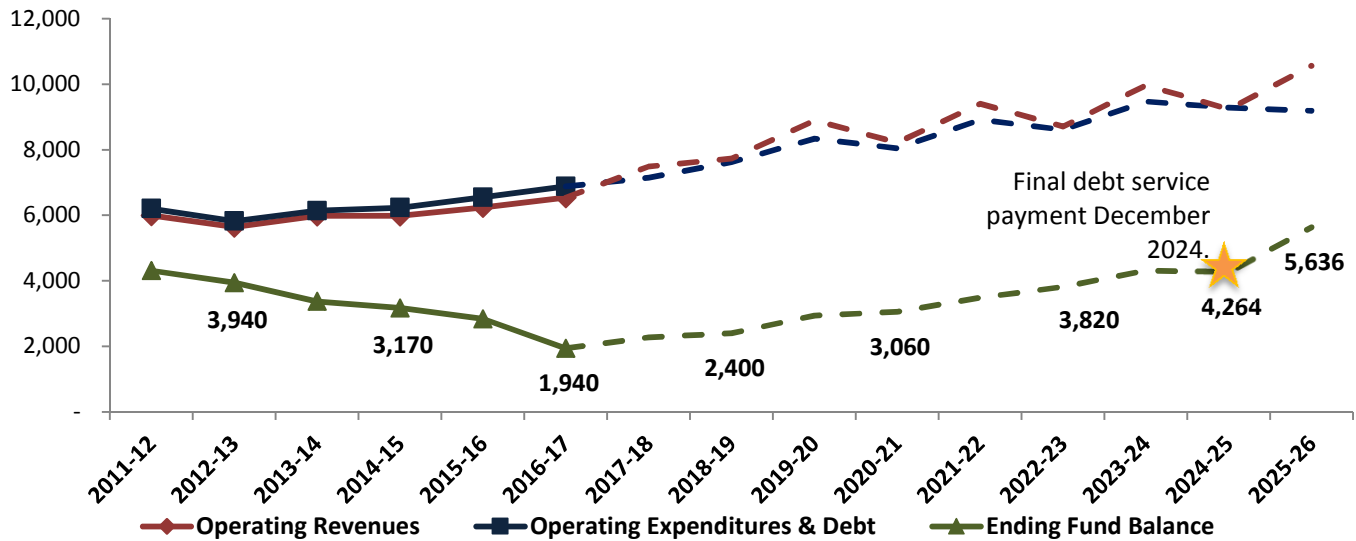
PM: cPMO/Expo

- Add additional security cameras to monitor campus activity
- Facility security assessment by GB Manchester recommends upgrades to campus cameras to decrease security risk.
- *ROI:* Cameras will reduce the need of security personnel for campus monitoring, and deter unwanted/illegal activity that may result in losses and/or damages.
- *Safety:* According to the security assessment the facility is identified as a “soft target” and the recommendation is to increase security cameras to reduce risk and enhance existing security measures for both event [public use] and non-event days.

**Portland Expo Center**  
**5 - Year Forecast Summary**  
(\$ Thousands)

	<i>Cirque year</i>		<i>Cirque year</i>		<i>Cirque year</i>	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Beginning Fund Balance</b>	1,940	2,280	2,400	2,940	3,060	3,490
Event Revenue	7,020	7,250	8,390	7,700	8,870	8,160
MTOCA	400	400	400	400	400	400
Other	70	70	100	130	130	140
<b>Operating Revenues</b>	<b>7,490</b>	<b>7,730</b>	<b>8,890</b>	<b>8,220</b>	<b>9,400</b>	<b>8,710</b>
<b>Operating Expenditures</b>	<b>6,130</b>	<b>6,600</b>	<b>7,320</b>	<b>7,030</b>	<b>7,890</b>	<b>7,590</b>
<b>Net Operating (A)</b>	<b>1,360</b>	<b>1,130</b>	<b>1,570</b>	<b>1,190</b>	<b>1,510</b>	<b>1,120</b>
Debt Service (B)	1,020	1,020	1,020	1,020	1,020	1,030
<b>Operating net of debt (A-B)</b>	<b>340</b>	<b>110</b>	<b>550</b>	<b>180</b>	<b>490</b>	<b>90</b>
<b>Capital</b>						
TLT Pooled Capital	2,870	1,120	1,150	1,240	1,270	1,330
Other Capital Contribution	110	240	30	70	110	130
<b>Capital Revenue</b>	<b>2,980</b>	<b>1,360</b>	<b>1,190</b>	<b>1,300</b>	<b>1,380</b>	<b>1,460</b>
<b>Capital Expenditures</b>	<b>2,980</b>	<b>1,350</b>	<b>1,200</b>	<b>1,360</b>	<b>1,440</b>	<b>1,220</b>
<b>Net Capital (C)</b>	<b>0</b>	<b>10</b>	<b>-10</b>	<b>-60</b>	<b>-60</b>	<b>240</b>
<b>Fund Balance Inc./ (Dec) (A-B+C)</b>	<b>340</b>	<b>110</b>	<b>540</b>	<b>120</b>	<b>430</b>	<b>340</b>
<b>Ending Fund Balance</b>	<b>2,280</b>	<b>2,400</b>	<b>2,940</b>	<b>3,060</b>	<b>3,490</b>	<b>3,820</b>

**Expo Financial Forecast**  
(\$ Thousands)



**Portland'5 Centers for the Arts CIP Summary  
Fiscal Year 2019**

	<b>Prior Years</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Total</b>
Schnitzer Orchestra Shell Replacement	1,355,000	1,845,000	-	-	-	-	<b>3,200,000</b>
AHH Roof	150,000	1,500,000	-	-	-	-	<b>1,650,000</b>
Keller Electrical Infrastructure Update	-	850,000	-	-	-	-	<b>850,000</b>
ASCH FOH Elevators Overhaul	-	400,000	-	-	-	-	<b>400,000</b>
* KA Generator Fuel Storage	-	350,000	-	-	-	-	<b>350,000</b>
ASCH Backstage Dressing Tower Elevator	-	300,000	-	-	-	-	<b>300,000</b>
ASCH Roof Drains	-	250,000	-	-	-	-	<b>250,000</b>
ASCH Piano Replacement	-	200,000	-	-	-	-	<b>200,000</b>
* Newmark Main Speakers	-	200,000	-	-	-	-	<b>200,000</b>
ASCH Chamber Lighting	25,000	175,000	-	-	-	-	<b>200,000</b>
* Portable Concession Kiosks	-	175,000	-	-	-	-	<b>175,000</b>
* ArtBar/Lobby Furniture Replacement	-	175,000	-	-	-	-	<b>175,000</b>
Newmark Piano Replacement	-	150,000	-	-	-	-	<b>150,000</b>
* KA Fall Arrest	-	100,000	-	-	-	-	<b>100,000</b>
* ASCH Cooling Airflow Study	-	100,000	-	-	-	-	<b>100,000</b>
AHH EIFS Replacement Phase III (R&R)	-	75,000	700,000	-	-	-	<b>775,000</b>
ASCH Broadway and Park Marquees	-	50,000	800,000	-	-	-	<b>850,000</b>
AHH/ASCH/Keller ADA signage	50,000	30,000	50,000	95,000	-	-	<b>225,000</b>
AHH Stage door area rebuild	-	25,000	150,000	-	-	-	<b>175,000</b>
* ASCH Orchestra concession rebuild	-	-	600,000	-	-	-	<b>600,000</b>
* KA Catwalk at FOH	-	-	350,000	-	-	-	<b>350,000</b>
* ASCH Box office rebuild	-	-	250,000	-	-	-	<b>250,000</b>
* KA Camera/Security System	-	-	200,000	-	-	-	<b>200,000</b>
* AHH Video monitors for poster cases	-	-	50,000	-	-	-	<b>50,000</b>
ASCH - Cooling System Replacement	10,000	-	-	1,200,000	-	-	<b>1,210,000</b>
ASCH New Seats	-	-	-	600,000	-	-	<b>600,000</b>
* KA New PA (Monitors, Amps, Mains)	-	-	-	400,000	-	-	<b>400,000</b>
Keller Building HVAC Controls & Stage HVAC Imp	-	-	-	250,000	-	-	<b>250,000</b>
AHH Rotunda/Bistro Carpet Replacement	-	-	-	150,000	-	200,000	<b>350,000</b>
* AHH 4th and 5th floor remodel	-	-	-	150,000	-	-	<b>150,000</b>
AHH Lobby Storefront Doors Replacement (R&R)	-	-	-	82,000	-	-	<b>82,000</b>
* Winnigstad Seating replacement	-	-	-	75,000	-	-	<b>75,000</b>
AHH Park Street lobby door replacement	-	-	-	50,000	-	-	<b>50,000</b>
* KA Lobby Monitors	-	-	-	50,000	-	-	<b>50,000</b>
Keller Stage Pit Lifts Overhaul	-	-	-	-	500,000	-	<b>500,000</b>
AHH Freight Elevator Overhaul	-	-	-	-	400,000	-	<b>400,000</b>
Keller Backstage Dressing Tower Elevator	-	-	-	-	300,000	-	<b>300,000</b>
* Newmark Seating replacement	-	-	-	-	225,000	-	<b>225,000</b>
* AHH Brunish Dressing Build-Out	-	-	-	-	175,000	-	<b>175,000</b>
* Newmark Replace Stage Floor	-	-	-	-	100,000	-	<b>100,000</b>
* Winni Hoists	-	-	-	-	75,000	-	<b>75,000</b>
* ASCH Stage Door Area Rebuild	-	-	-	-	-	75,000	<b>75,000</b>
<b>TOTAL - Portland'5 Centers for the Arts Fund</b>	<b>\$1,590,000</b>	<b>\$6,950,000</b>	<b>\$3,150,000</b>	<b>\$3,102,000</b>	<b>\$1,775,000</b>	<b>\$275,000</b>	<b>\$16,842,000</b>

\* New project in FY2018-19

**Portland'5 Centers for the Arts**

FY17-18 to FY18-19 CIP Reconciliation

<b>FY2017-18 CIP</b>	<b>17,725,734</b>
Completed Projects	(2,110,734)
New Projects	3,875,000
Deferred Projects	(6,375,000)
Project Changes	<u>3,727,000</u>
<b>FY2018-19 CIP</b>	<b>16,842,000</b>

**Projects with significant changes:**

<b>Project</b>	<b>FY17-18 Total Project Cost</b>	<b>FY18-19 Total Project Cost</b>	<b>Inc/(Dec)</b>	<b>Explanation</b>
AHH Roof	450,000	1,650,000	1,200,000	Revised cost estimate
Keller Electrical Infrastructure Update	600,000	850,000	250,000	Revised cost estimate
ASCH Roof Drains	100,000	250,000	150,000	Revised cost estimate
ASCH Piano Replacement	400,000	200,000	(200,000)	Revised cost estimate
AHH EIFS Replacement Phase III (R&R)	400,000	775,000	375,000	Revised cost estimate
ASCH Broadway and Park Marquees	675,000	850,000	175,000	Scope increase - digital displays
ASCH - Cooling System Replacement	360,000	1,210,000	850,000	Revised cost estimate
ASCH New Seats	200,000	600,000	400,000	Revised cost estimate
Keller Building HVAC Controls	350,000	250,000	(100,000)	Revised cost estimate
AHH Rotunda/Bistro Carpet Replacement	150,000	350,000	200,000	Revised cost estimate
AHH Park Street lobby door replacement	75,000	50,000	(25,000)	Revised cost estimate
Keller Stage Pit Lifts Overhaul	350,000	500,000	150,000	Revised cost estimate
AHH Freight Elevator Overhaul	100,000	400,000	300,000	Revised cost estimate
Other changes (minor)			<u>2,000</u>	
		<b>Total</b>	<b>3,727,000</b>	

## **Portland'5 Centers for the Arts FY2018-19 Capital Projects**

### **Schnitzer Orchestra Shell Replacement– FY18-19 budget \$1,845,000; Total Project budget \$3,200,000 (\$3,000,000 funded by Oregon Symphony)**

Funding Source – *R&R Reserve and outside contribution* PM: CpMO

- Replacement of orchestra shell with electronic/acoustic solution.

### **Antoinette Hatfield Hall Roof – FY18-19 budget \$1,500,000; Total Project budget \$1,650,000**

Funding Source – *R&R Reserve* PM: CpMO

- Roof, parapet walls and green roof construction.

### **Keller Electrical Main Switchgear – FY18-19 budget \$850,000**

Funding Source – *R&R Reserve* PM: Venue

- Replace 50 year old Switchgear and distribution panel.

### **Arlene Schnitzer Concert Hall Elevators (front of house) – FY18-19 budget \$400,000**

Funding Source – *R&R Reserve* PM: CpMO

- Modernization of front of house elevators.

### **Keller Generator Fuel Storage – FY18-19 budget \$350,000**

Funding Source – *R&R Reserve* PM: Venue

- Purchase of a double wall tank with fill pipe and spill containment and decommission well.

### **Arlene Schnitzer Concert Hall Elevators (back of house) – FY18-19 budget \$300,000**

Funding Source – *R&R Reserve* PM: CpMO

- Modernization of back of house elevators.

### **Arlene Schnitzer Concert Hall Roof Drains – FY18-19 budget \$250,000**

Funding Source – *R&R Reserve* PM: CpMO

- Replacement of 11 drains and connecting plumbing.

### **Arlene Schnitzer Concert Hall Piano Replacement – FY18-19 budget \$200,000**

Funding Source – *R&R Reserve* PM: Venue

- The current piano has reached the end of its useful life.

### **Newmark Main Speakers – FY18-19 budget \$200,000**

Funding Source – *R&R Reserve* PM: Venue

- Replace the current Newmark main speakers.

### **Portable Concession Kiosks – FY18-19 budget \$175,000**

Funding Source – *R&R Reserve and Aramark contributed capital* PM: Venue

- Purchase portable concession kiosks that can be used at multiple venues, including outside.

### **ArtBar/Lobby Furniture Replacement – FY18-19 budget \$175,000**

Funding Source – *R&R Reserve and Aramark contributed capital* PM: Venue

- Replace worn furniture around the ArtBar and lobby of Hatfield Hall.

## Portland's Centers for the Arts FY2018-19 Capital Projects

### **Arlene Schnitzer Concert Hall Chamber Lighting – FY18-19 budget \$175,000; Total Project budget \$200,000**

Funding Source – *R&R Reserve*

PM: Venue

- Replace current lights with LED lights.

### **Newmark Piano Replacement – FY18-19 budget \$150,000**

Funding Source – *R&R Reserve*

PM: Venue

- The current piano has reached the end of its useful life.

### **Keller Fall Arrest – FY18-19 budget \$100,000**

Funding Source – *R&R Reserve*

PM: Venue

- Addresses a safety need at the Keller.

### **Arlene Schnitzer Concert Hall Cooling Airflow Study – FY18-19 budget \$100,000**

Funding Source – *R&R Reserve*

PM: CpMO

- Assess the current conditions of cooling airflow at the Schnitzer Concert Hall and receive proposals for improvements to the system.

### **Antoinette Hatfield Hall EIFS Replacement Phase III – FY18-19 budget \$75,000; Total Project budget \$775,000**

Funding Source – *R&R Reserve*

PM: CpMO

- This project will address the Exterior Insulation and Finish System (EIFS). The design and engineering phase will occur in FY18-19, and will inform the cost of construction in the subsequent year.

### **Arlene Schnitzer Concert Hall Broadway and Park Marquees – FY18-19 budget \$50,000; Total Project budget \$850,000**

Funding Source – *R&R Reserve*

PM: CpMO

- The upgrade will address structural needs as well as replace the equipment.

### **ADA signage – FY18-19 budget \$30,000; Total Project budget \$225,000**

Funding Source – *R&R Reserve*

PM: Venue

- The City of Portland provided a review of compliance with the Americans with Disabilities Act. Over the next five years Portland's will be bringing all buildings into compliance.

### **Antoinette Hatfield Hall Stage door area rebuild – FY18-19 budget \$25,000; Total Project budget \$175,000**

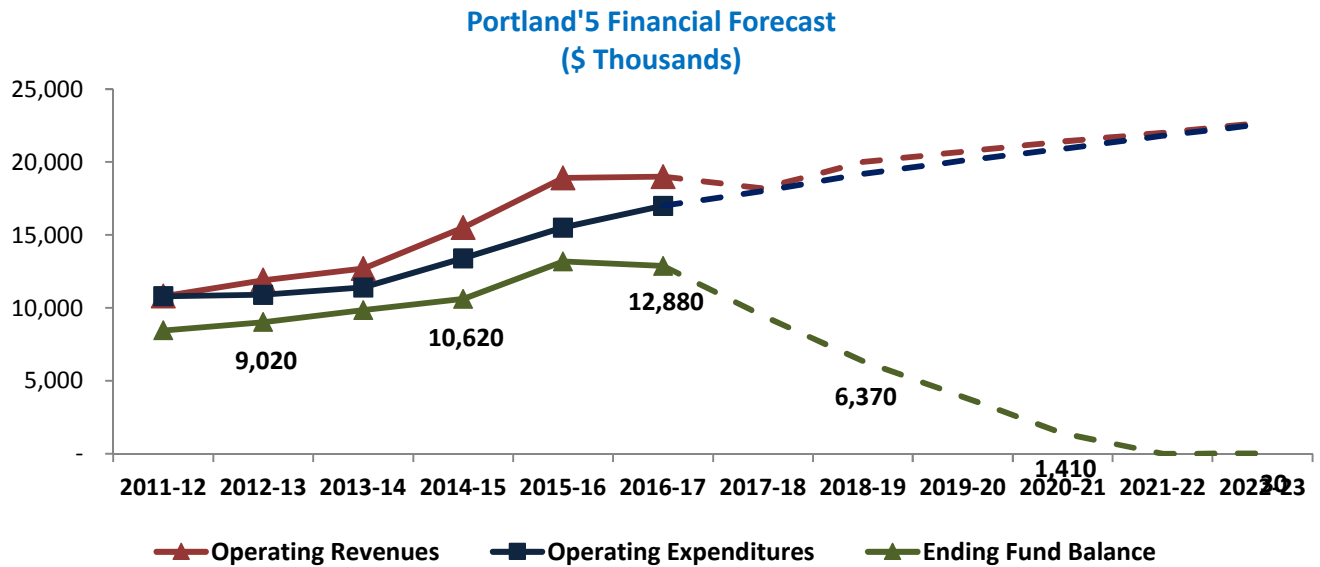
Funding Source – *R&R Reserve*

PM: CpMO

- This project will move an interior door and convert the space to provide additional office space and a front desk. The design and engineering phase will occur in FY18-19, and will inform the cost of construction in the subsequent year.

**Portland's Centers For The Arts**  
**5 - Year Forecast Summary**  
(\$ Thousands)

	CAGR						CAGR	
	FY12-FY17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	FY19-FY24
<b>Beginning Fund Balance</b>		12,880	9,460	6,370	3,910	1,410	0	
Event Revenue	13.4%	15,350	16,800	17,390	17,990	18,620	19,280	3.5%
TLT	1.9%	1,390	1,430	1,460	1,500	1,540	1,570	2.5%
City of Portland	2.3%	890	910	930	960	980	1,010	2.5%
Other		560	870	940	920	860	840	
<b>Operating Revenues</b>	<b>11.8%</b>	<b>18,190</b>	<b>20,000</b>	<b>20,730</b>	<b>21,370</b>	<b>22,000</b>	<b>22,690</b>	<b>3.2%</b>
<b>Operating Expenditures</b>	<b>9.4%</b>	<b>18,010</b>	<b>19,200</b>	<b>20,090</b>	<b>20,860</b>	<b>21,800</b>	<b>22,590</b>	<b>4.1%</b>
<b>Net Operating (A)</b>		<b>180</b>	<b>800</b>	<b>640</b>	<b>510</b>	<b>200</b>	<b>100</b>	
<b>Capital</b>								
Grants/Miscellaneous		0	3,000	0	0	0	0	
Aramark Capital Contribution		170	70	50	100	160	200	
<b>Capital Revenue</b>		<b>170</b>	<b>3,070</b>	<b>50</b>	<b>100</b>	<b>160</b>	<b>200</b>	
<b>Capital Expenditures</b>		<b>3,780</b>	<b>6,950</b>	<b>3,150</b>	<b>3,100</b>	<b>1,780</b>	<b>280</b>	
<b>Net Capital (B)</b>		<b>-3,610</b>	<b>-3,880</b>	<b>-3,100</b>	<b>-3,000</b>	<b>-1,620</b>	<b>-80</b>	
Fund Balance Inc./ (Dec) (A+B)		-3,430	-3,080	-2,470	-2,500	-1,410	30	
<b>Ending Fund Balance</b>		<b>9,460</b>	<b>6,370</b>	<b>3,910</b>	<b>1,410</b>	<b>0</b>	<b>30</b>	



**Oregon Convention Center CIP Summary  
Fiscal Year 2019**

	Prior Years	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Master Plan Renovation	5,220,000	27,630,000	2,650,000	-	-	-	35,500,000
Cooling System Rplcmnt	80,000	2,900,000	-	-	-	-	2,980,000
Lighting Control System	275,000	2,080,000	-	-	-	-	2,355,000
Orbit Bakery/Front Remodel	-	793,000	707,000	-	-	-	1,500,000
Tower/Crown Glazing	75,000	500,000	-	-	-	-	575,000
* Water Heater Replacement	-	275,000	-	-	-	-	275,000
Exterior Waterproofing	75,000	250,000	400,000	-	-	-	725,000
* Portable Ticketing Kiosks Purchase	-	250,000	-	-	-	-	250,000
* Ops Office/Guest Service/pacificWild North reno	-	80,000	900,000	-	-	-	980,000
* Compost Digester Installation	-	75,000	400,000	-	-	-	475,000
Crbrd Baler & Cnpy	-	75,000	350,000	-	-	-	425,000
* Key Management System Upgrade	-	75,000	-	-	-	-	75,000
* Parking Pay on Foot Stations Purchase/Install	-	75,000	-	-	-	-	75,000
* Rain Garden Tree Replacement	-	50,000	-	-	-	-	50,000
Chair Replacement	-	-	1,300,000	1,500,000	-	-	2,800,000
* Lobby Lighting Retrofit	-	-	650,000	-	-	-	650,000
Table Replacement	-	-	450,000	-	-	-	450,000
* AHU Motor Upgrade to VFD Controls	-	-	250,000	-	-	400,000	650,000
* Elevator Door & Operator Replacement	-	-	250,000	-	-	-	250,000
* Loading Dock Coil Door Replacement	-	-	250,000	-	-	-	250,000
Public Circulation Furniture Replacement	-	-	175,000	-	-	-	175,000
* Mass Notification Consulting & Implementation	-	-	150,000	-	-	-	150,000
* Glass Tower Structural Reinforcement	-	-	100,000	800,000	-	-	900,000
AV Audio System Upgrade	-	-	100,000	750,000	-	-	850,000
* Escalator Safety Skirt Brush Installation	-	-	100,000	-	-	-	100,000
* Electrical Infrastructure Upgrade	-	-	60,000	500,000	500,000	-	1,060,000
* Employee Locker Room Renovation	-	-	60,000	400,000	-	-	460,000
* Exhibit Hall Restroom Renovation	-	-	-	224,000	1,700,000	-	1,924,000
* ABC Meeting Room Renovation	-	-	-	100,000	6,500,000	-	6,600,000
Boiler Replacement	-	-	-	75,000	1,800,000	-	1,875,000
* VIP B Renovation	-	-	-	70,000	400,000	-	470,000
* Interior Digital Signage Additions	-	-	-	-	1,000,000	-	1,000,000
* CCTV Replacement	-	-	-	-	800,000	-	800,000
* Gingko Lane Renovation	-	-	-	-	700,000	5,000,000	5,700,000
* Exhibit Hall Sound Panel Replacement	-	-	-	-	500,000	-	500,000
* Holladay Suites Renovation	-	-	-	-	60,000	400,000	460,000
* DEF Meeting Rooms/Lobbies/Restrooms Reno	-	-	-	-	-	1,100,000	1,100,000
* Holladay & 1st Avenue Exterior Improvements	-	-	-	-	-	500,000	500,000
* Security Console/Entrance area Renovation	-	-	-	-	-	140,000	140,000
* VIP D Renovation	-	-	-	-	-	75,000	75,000
<b>Subtotal Capital Projects</b>	-	50,000	3,895,000	4,419,000	13,960,000	7,615,000	29,939,000
<b>Ongoing Capital Maintenance</b>							
Food & Beverage Capital Investment	-	-	618,000	1,325,000	1,325,000	1,325,000	4,593,000
A/V Equipment (NBS)	-	150,000	150,000	150,000	150,000	150,000	750,000
WiFi & Show Network Upgrades	-	120,000	120,000	130,000	130,000	130,000	630,000
Alerton Gbl Cntrllr Upgrc	-	60,000	60,000	60,000	-	-	180,000
<b>Subtotal Ongoing</b>	-	330,000	330,000	340,000	280,000	280,000	1,560,000
<b>TOTAL - Convention Center Operating Fund</b>	<b>\$5,725,000</b>	<b>\$35,438,000</b>	<b>\$10,250,000</b>	<b>\$6,084,000</b>	<b>\$15,565,000</b>	<b>\$9,220,000</b>	<b>\$82,282,000</b>

\* New project in FY2018-19



**Oregon Convention Center**  
 FY17-18 to FY18-19 CIP Reconciliation

<b>FY2017-18 CIP</b>	<b>49,649,500</b>
Completed Projects	(3,184,500)
New Projects	25,919,000
Project Changes	<u>9,898,000</u>
<b>FY2018-19 CIP</b>	<b>82,282,000</b>

**Projects with significant changes:**

<b>Project</b>	<b>FY17-18 Total Project Cost</b>	<b>FY18-19 Total Project Cost</b>	<b>Inc/(Dec)</b>	<b>Explanation</b>
Cooling System Rplcmnt	2,380,000	2,980,000	600,000	Revised cost estimate
Lighting Control System	775,000	2,355,000	1,580,000	Scope increase - additional areas
Orbit Bakery/Front Remodel	700,000	1,500,000	800,000	Full project cost, OCC & Aramark funds
Tower/Crown Glazing	375,000	575,000	200,000	Revised cost estimate
Exterior Waterproofing	475,000	725,000	250,000	Revised cost estimate
Crbrd Baler & Cnpy	215,000	425,000	210,000	Revised cost estimate
Chair Replacement	1,260,000	2,800,000	1,540,000	Scope increase - full venue
AV Audio System Upgrade	315,000	850,000	535,000	Revised cost estimate
Food & Beverage Capital Investment	950,000	4,593,000	3,643,000	Placeholder for F&B improvements
WiFi & Show Network Upgrades	250,000	630,000	380,000	Revised cost estimate
Alerton Gbl Cntrlr Upgrd	120,000	180,000	60,000	Revised cost estimate
Other changes (minor)			<u>100,000</u>	
		<b>Total</b>	<b>9,898,000</b>	

## **Oregon Convention Center FY2018-19 Capital Projects**

### **Master Plan Renovation – FY18-19 budget \$27,630,000; Total Project budget \$35,500,000**

Funding Source – *TLT Pooled Capital and R&R Reserve*

PM: CpMO

- This is the first major renovation of the original side of the facility since it opened in 1990.
- Exterior renovations include the site from Oregon Street/MLK Blvd to Holladay/2<sup>nd</sup> Ave.
- Interior renovations include updating the finishes and furnishings in the MLK and Holladay lobbies and entrances, Oregon Ballroom lobby, Oregon Ballroom and ballroom level restrooms, Pre-function A, B and C lobbies and new carpet installed throughout the facility.

### **Cooling System Replacement – FY18-19 budget \$2,900,000; Total Project budget \$2,980,000**

Funding Source – *R&R Reserve*

PM: CpMO

- Replacement of aging cooling system for the facility
- Installation of four new cooling towers and associated piping and pumps
- Installation of two new 500 ton chillers and associated pumps
- Rebuilding of two 800 ton chillers that have lower run hours
- Installation of new process water pumps for building refrigeration equipment
- Improved energy efficiency and reliability of cooling system

### **Lighting Control System – FY18-19 budget \$2,080,000; Total Project budget \$2,355,000**

Funding Source – *R&R Reserve*

PM: CpMO

- Replacement of failing and end of life lighting control system
- Installation of new head end controls for security and electricians
- Replacement of lighting controls and relays for all exhibit hall lighting fixtures
- Replacement of lighting control relays for all lobby spaces
- Installation of control Hub to connect meeting rooms and ballrooms when they are renovated in future
- Lighting control upgrade will improve reliability, increase energy efficiency, control and energy use data reporting

### **Orbit Bakery/Front Remodel – FY18-19 budget \$793,000; Total Project budget \$1,500,000**

Funding Source – *R&R Reserve and Aramark contributed capital*

PM: CpMO

- The Orbit Café has not had any significant capital investment since it opened in the mid 1990's.
- Renovation of entire space and replacement of associated food service equipment
- Installation of hood exhaust system and HVAC for space
- Renovation will increase the customer experience, operational efficiency, cooking capacity and revenue.

### **Spires/Crescent Glazing – FY18-19 budget \$500,000; Total Project budget \$575,000**

Funding Source – *R&R Reserve*

PM: CpMO

- The spires and crescent have multiple points of water intrusion due to failed sealants over time.
- Spot repairs are costly and inefficient due not knowing the exact location of the water intrusion.
- This project will reglaze tower glass to prevent future water intrusion.

## **Oregon Convention Center FY2018-19 Capital Projects**

### **Water Heater Replacement – FY18-19 budget \$275,000**

Funding Source – *R&R Reserve*

PM: CpMO

- This project will replace all of the existing original electric hot water heaters with gas water heaters that serve restroom sinks in the facility.
- Project includes running new gas lines to new water heaters.
- Completion of this project will also provide redundancy in three locations, improve energy efficiency and response times during heavy event use.

### **Exterior Waterproofing – FY18-19 budget \$250,000; Total Project budget \$725,000**

Funding Source – *R&R Reserve*

PM: CpMO

- The recent Facility Condition Assessment found multiple locations around the facility with evidence of water intrusion/damage.
- This project will remediate those areas identified on the West façade of the facility and provide waterproofing solutions to eliminate water intrusion.

### **Portable Ticketing Kiosks – FY18-19 budget \$250,000**

Funding Source – *R&R Reserve*

PM: Venue

- The current interior renovation project includes the removal of the permanent ticket office located in the MLK Lobby.
- Portable ticketing kiosks will be purchased to handle the ticketing needs required by the consumer shows within the facility
- The portable ticketing kiosks give OCC the flexibility to locate the kiosks in locations advantageous to show entrances, etc. without having a fixed ticket office that is closed the majority of the time.

### **Office Renovations (Operations, Guest Services, pacificWild) – FY18-19 budget \$80,000; Total Project budget \$980,000**

Funding Source – *R&R Reserve*

PM: CpMO

- The first phase of this project will evaluate current and potential office locations within the facility and create a cohesive space planning design for multiple staff office areas
- The plan will also address the business center used by attendees.

### **Composter Digester Installation – FY18-19 budget \$75,000; Total Project budget \$475,000**

Funding Source – *R&R Reserve*

PM: CpMO

- This project will install two compost digesters in facility (main kitchen and main loading dock)
- This project will allow OCC to use compostable products for food packaging, which is currently prohibited through the commercial compost program.
- Compost digesters will free up valuable dock space for storage on the North loading dock, save on weekly hauling fees, reduce greenhouse gases from hauling, and reduce landfill waste by using compostable products.

### **Cardboard Baler & Canopy – FY18-19 budget \$75,000; Total Project budget \$425,000**

Funding Source – *R&R Reserve*

PM: CpMO

- This project will provide a safer work environment for staff operating the baler. The horizontal baler can be loaded with a forklift and the bale comes out the end ready for transport

## **Oregon Convention Center FY2018-19 Capital Projects**

### **Key Management System Upgrade – FY18-19 budget \$75,000 (one year project)**

Funding Source – *R&R Reserve*

PM: Venue

- The current key management system software is outdated and does not have required flexibility for efficient inventory of OCC's keys beyond the standard door keys.
- The upgraded system will also allow OCC to install key boxes for staff to access keys with their current OCC ID badges.
- Project improves security, accountability and efficiency.

### **Parking Pay on Foot Stations – FY18-19 budget \$75,000 (one year project)**

Funding Source – *R&R Reserve*

PM: Venue

- The parking system has been installed for nearly a year and OCC sees a value of adding additional pay on foot stations in multiple locations inside the building and elevator lobbies to ease congestion during heavy egress times to improve efficiency of attendees leaving the facility.

### **Rain Garden Tree Replacement – FY18-19 budget \$50,000 (one year project)**

Funding Source – *R&R Reserve*

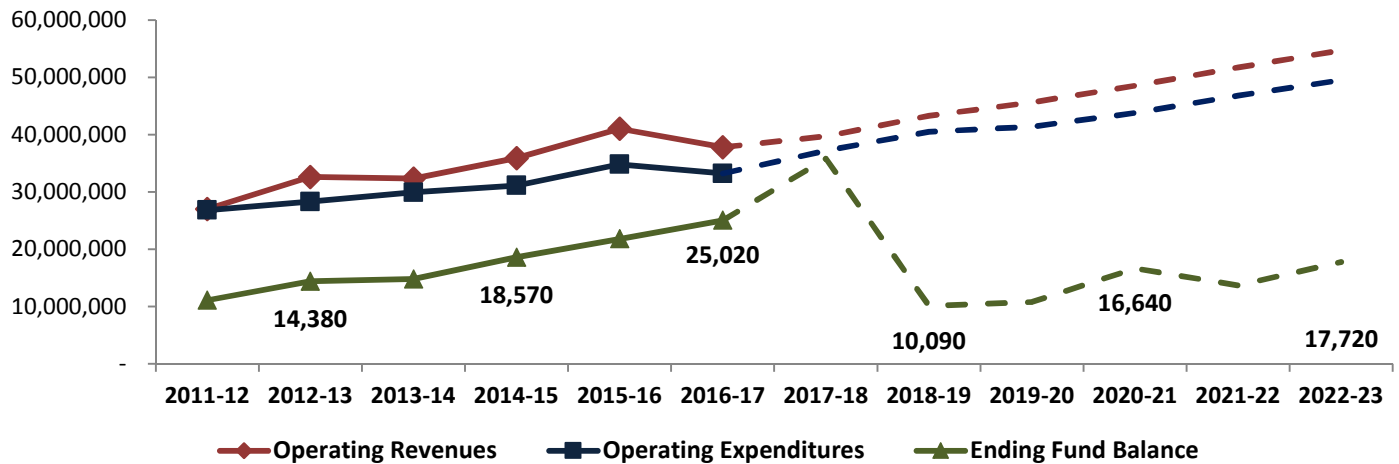
PM: Venue

- The Rain Garden is one of the first onsite water collection in Portland when it was built in 2003 and is used as a model for similar stormwater treatment options in the city and beyond. It is a living and evolving environment and some of the trees need to be replaced.
- Replace the Incense Cedar trees in the Rain Garden that have become susceptible to disease and have outgrown their surrounding footprint causing failure during high winds.
- The original landscape architects are working with OCC to select a different variety of cedar tree that will be more suitable to the shallow soil conditions and less susceptible to disease.

**Oregon Convention Center  
5-Year Forecast Summary  
(\$ Thousands)**

	CAGR FY12-FY17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	CAGR FY18-FY24
<b>Beginning Fund Balance</b>		25,020	35,810	10,090	10,750	16,640	13,670	
<b>Operating Revenue</b>								
Event Revenue	7.0%	24,840	29,560	31,340	33,530	35,880	38,390	9.1%
TLT	5.4%	11,200	11,640	12,230	12,720	13,350	13,890	3.6%
Other		3,710	2,080	2,020	2,280	2,500	2,450	
<b>Operating Revenues</b>	<b>7.0%</b>	<b>39,750</b>	<b>43,280</b>	<b>45,590</b>	<b>48,530</b>	<b>51,730</b>	<b>54,730</b>	<b>6.4%</b>
<b>Operating Expenditures</b>	<b>4.4%</b>	<b>37,210</b>	<b>40,470</b>	<b>41,350</b>	<b>43,840</b>	<b>46,790</b>	<b>49,530</b>	<b>5.9%</b>
<b>Net Operating (A)</b>		<b>2,540</b>	<b>2,810</b>	<b>4,240</b>	<b>4,690</b>	<b>4,940</b>	<b>5,200</b>	
<b>Capital</b>								
Aramark Capital Contrib.		480	560	140	280	460	550	
TLT Pooled Capital		16,260	6,350	6,530	7,000	7,200	7,520	
<b>Total Capital Revenue</b>		<b>16,740</b>	<b>6,910</b>	<b>6,670</b>	<b>7,280</b>	<b>7,660</b>	<b>8,070</b>	
<b>Total Capital Expenditures</b>		<b>8,490</b>	<b>35,440</b>	<b>10,250</b>	<b>6,080</b>	<b>15,570</b>	<b>9,220</b>	
<b>Net Capital (B)</b>		<b>8,250</b>	<b>-28,530</b>	<b>-3,580</b>	<b>1,200</b>	<b>-7,910</b>	<b>-1,150</b>	
Fund Balance Inc./ (Dec) (A+B)		10,790	-25,720	660	5,890	-2,970	4,050	
<b>Ending Fund Balance</b>		<b>35,810</b>	<b>10,090</b>	<b>10,750</b>	<b>16,640</b>	<b>13,670</b>	<b>17,720</b>	

**OCC Financial Forecast  
(\$ Thousands)**



## **MERC Glossary of Terms and Acronyms**

<b>Aramark</b>	The venues contract with Aramark also referred to as Pacific Wild, for all Food and Beverage services.
<b>AHH</b>	Antoinette Hatfield Hall
<b>AFSCME</b>	American Federation of State, County and Municipal Employees
<b>ASCH</b>	Arlene Schnitzer Concert Hall
<b>Business Strategy Reserve</b>	The Business Strategy funds are dedicated to each venue individually and reserved for specific new (non replacement) capital items or strategic business opportunities requiring seed funding. The Business Strategy Reserve is funded by 10% of any net operating revenue the end of each fiscal year.
<b>CAB</b>	Customer Advisory Board - a group of existing customers convened to advise Travel Portland and its partners on industry trends, business priorities, and strategic direction.
<b>CIP</b>	Capital Improvement Plan
<b>EBMS</b>	Event Business Management System – Software used to manage events and related contracts.
<b>ESB</b>	Emerging Small Business
<b>FAM</b>	Familiarization Trip - trips planned for travel executives in order to provide them with information on what Portland has to offer.
<b>FTE</b>	Full Time Equivalent – an employee who works 40 hours per week
<b>FOTA</b>	First Opportunity Target Area - A hiring program intended to give residents living in an area identified as having more disadvantaged businesses and families a "First Opportunity" in employment at the Oregon Convention Center, Portland's Centers for the Arts and Portland Expo Center.
<b>IGA</b>	Intergovernmental Agreement
<b>IUOE</b>	International Union of Operating Engineers
<b>MERC</b>	Metropolitan Exposition Recreation Commission
<b>MOU</b>	Memorandum of Understanding
<b>OBT</b>	Oregon Ballet Theater - a resident company of the Keller Auditorium
<b>OCC</b>	Oregon Convention Center

## MERC Glossary of Terms and Acronyms

<b>OCT</b>	Oregon Children's Theater - a resident company of the Arlene Schnitzer Concert Hall.
<b>OSO</b>	Oregon Symphony Orchestra - a resident company of the Arlene Schnitzer Concert Hall.
<b>P'5</b>	Portland's 5 Centers for the Arts, the umbrella organization overseeing management of and events within the Arlene Schnitzer Concert Hall, Keller Auditorium and the Brunish, Newmark and Winningstad Theaters inside Antoinette Hatfield Hall.
<b>"PAC Man Chart"</b>	Graphic chart depicting how TLT funds are distributed.
<b>PCPA</b>	Portland Center for the Performing Arts, the original name of Portland's 5 Centers for the Arts.
<b>RACC</b>	Regional Arts and Culture Council - Established in 1995 RACC provides grants for artists, nonprofit organizations and schools.
<b>RFB</b>	Request for bid
<b>RFP</b>	Request for proposal
<b>R&amp;R</b>	Renewal & Replacement or capital program for replacing equipment such as vehicles and facility elements such as roofs & HVAC systems that have fulfilled their useful life.
<b>TID</b>	Tourism Improvement District - Portland's TID is a city-approved and hotelier-proposed assessment of two percent per night on guest room revenues for all hotels with more than 50 rooms located within the city of Portland.
<b>TLT</b>	Transit Lodging Tax - Tax collected from overnight Portland hotel guests.
<b>VDI</b>	The Visitors Development Initiative (VDI) was created in April 2000. At that time, the hotel and rental car industries agreed to self-tax themselves and increase the existing occupancy and rental car taxes by 2.5%. The tax increase led to the development of a Visitor Facility Trust Account (VFTA) that has collected enough revenue to support bonds that not only expanded the Oregon Convention Center, but also assisted in capital improvements for Portland's 5 and Jeld-Wen Field, and continue to provide enhanced marketing dollars for the convention center operations.
<b>VDF</b>	The Visitor Development Fund, as a component of the VFTA was created for the purpose of distributing grant funds to conventions and other organizations with the purpose of generating additional hotel occupancy and vehicle rental use.

## **MERC Glossary of Terms and Acronyms**

### **VFIGA**

Visitor Facilities Intergovernmental Agreement - Agreement between Multnomah County, City of Portland and Metro on how Transient Lodging Taxes (TLT) and Motor Vehicle Rental Taxes are distributed throughout Multnomah County. They are illustrated in the PAC Man Chart.

### **VFTA**

Visitor Facilities Trust Account is a fund developed by the Visitor Development Initiative. The VFTA is funded by a 2.5% transient lodging tax and 2.5% vehicle rental tax in Multnomah County and outlines a series of bonds and financial obligations known as "buckets". These obligations are for the purpose of enhancing visitor facilities and funding other initiatives with the purpose of driving visitors to the greater Portland region.



**Materials following this page are  
attachments to the public record.**



Metro

# MERC Budget Committee

January 24, 2018

# Agenda

Introduction

Capital Projects

By Venue

- Portland Expo Center
- Portland's 5 Centers for the Arts
- Oregon Convention Center

Commission Budget Process Review

Adjourn

# Overall Capital Spending

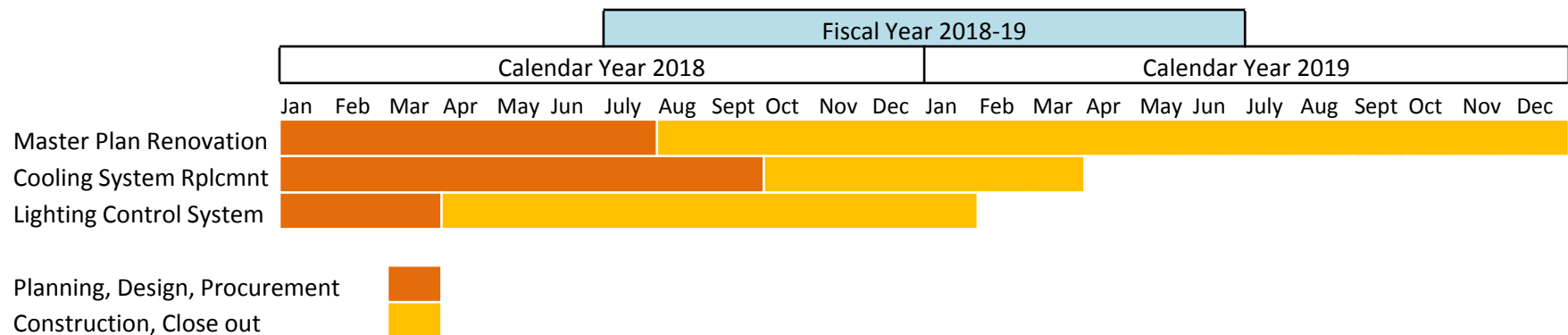
MERC 5-Year Capital Plan Summary						
<i>in millions</i>						
	<u>FY18-19</u>	<u>FY19-20</u>	<u>FY20-21</u>	<u>FY21-22</u>	<u>FY22-23</u>	<u>TOTAL</u>
OCC	35,400	10,300	6,100	15,600	9,200	76,600
Portland'5	7,000	3,200	3,100	1,800	300	15,400
Expo	1,100	900	1,100	1,300	1,000	5,400
<b>TOTAL</b>	<b>43,500</b>	<b>14,400</b>	<b>10,300</b>	<b>18,700</b>	<b>10,500</b>	<b>97,400</b>

# Capital Project Process

- Capital Project Prioritization Rubric
  - Health/safety risk
  - Compliance
  - Business risk
  - Operational and financial impacts
  - Sustainability and Diversity, Equity and Inclusion (DEI) impacts
  - Facility specific considerations
- Available funding

# Capital Project Process (con't)

- Project timeline
- Construction Project Management Office (cPMO) resources
  - Increase FTE from 2.0 to 3.5



# CIP Overview

- Capital Improvement Plan (CIP)
  - Venue specific
  - Organized by fiscal year and cost
  - FY18-19 projects part of FY18-19 budget appropriations
- Reconciliation to FY17-18 CIP
  - FY17-18 Total CIP
  - Less projected **completed** in FY17-18
  - Plus **new** projects
  - Less projects **deferred**
  - Plus/minus **changes** in estimated costs
  - Equals FY18-19 Total CIP

# Funding Sources

- Fund Balance
- Transient Lodging Tax (TLT) Pooled Capital
  - Estimated \$7.5 million
  - 85% to OCC, \$6.4 million
  - 15% to Expo, \$1.1 million
- Aramark Contributed Capital
- Other Funding
  - Arlene Schnitzer Concert Hall Shell Replacement, \$3 million from Oregon Symphony
  - Expo Parking Lot Improvements, \$100,000 from Cirque du Soleil



# Portland Expo Center

- Capital Improvement Plan Overview
- FY18-19 Project Highlights:
  - Cirque / LP1 Parking Lot Improvements
  - Security – Fencing and Cameras
  - Hall C Improvements – *Expo Project*
- Questions?

# Portland Expo Center



# Portland's 5 Centers for the Arts

- Capital Improvement Plan Overview
- FY18-19 Project Highlight: Schnitzer Orchestra Shell Replacement
- Questions?

# Oregon Convention Center

- Capital Improvement Plan Overview
- FY18-19 Project Highlight: Master Plan Renovation
- Questions?



**OREGN**

Oregon  
Convention  
Center

**OCC Plaza and Interior  
Renovation**

# Project Goals

- Update the 27-year old Convention Center
- Create a cohesive meeting and visitor atmosphere with the new Hyatt Regency Portland hotel
- Improve overall convention market position
- Two major scopes
  - Plaza renovation
  - Interior renovation

OREGON

Oregon  
Convention  
Center

# Project budget is \$35.5 million

## Tentative schedule

Design complete	January 2018
Construction documents complete	May 2018
Construction start	August 2018
Project completion	October 2019

OREGON

Oregon  
Convention  
Center

# Designers and Contractors

**A commitment to local minority and women-owned businesses**

- **Lead architect:** LMN Architects
- **Associate architect:** Merryman Barnes
- **Landscape architect (plaza design):** Mayer/Reed
- **General Contractor:** Colas Construction
- **Associate Contractor:** Raimore Construction

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Oregon  
Convention  
Center



# Plaza Project Goals

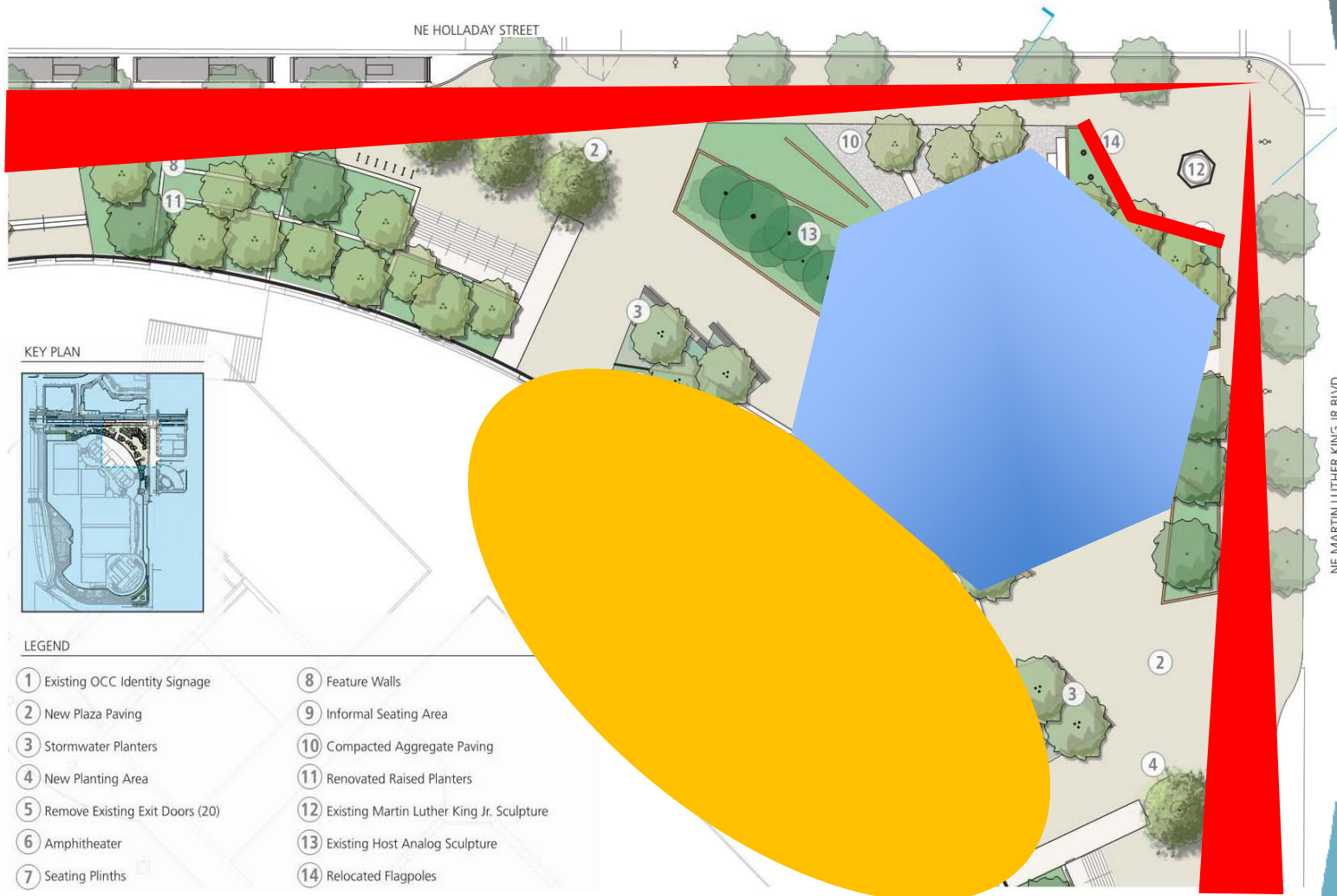
- Improve visibility and access to the building's entrances
- Create outdoor usable and rentable space for event use

A vertical graphic element on the right side of the slide, consisting of a dark blue background with a lighter blue triangular shape on the left side, pointing downwards. The word "OREGON" is written vertically in white, bold, sans-serif capital letters.

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# Entrance Visibility



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# OREGON

Oregon  
Convention  
Center

# Pylon



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# Martin Luther King Jr. Entry



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# Plaza Layout Options



Car Show



Concert



Reception

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**Interior Renovation**



# Interior Project Goals

- Enhance level of guest experience
- Create a memorable identity that is unique to Portland
- Improve OCC competitiveness

A vertical graphic element on the right side of the slide, consisting of two overlapping triangles that meet at a point in the middle. The left triangle is a lighter shade of green and points to the right. The right triangle is a darker shade of green and points to the left. The word "OREGON" is written vertically in white, bold, sans-serif capital letters across the intersection of the two triangles.

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Convention  
Center

# Inspirational Images



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Center

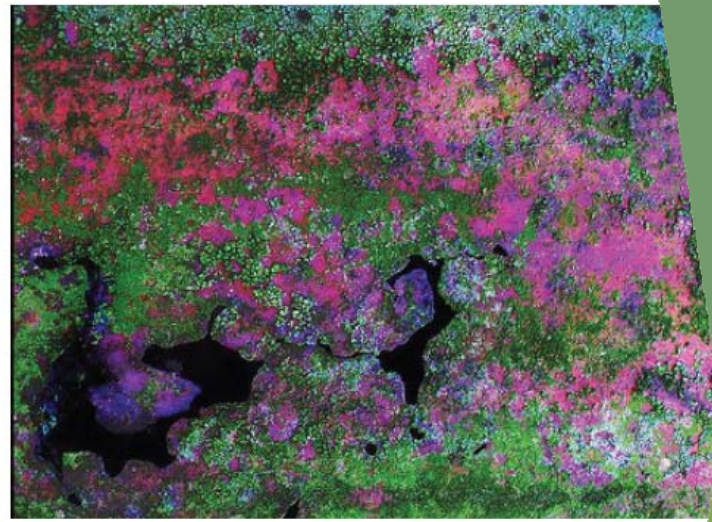
# Inspirational Images



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# Inspirational Images



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# Finish Palette



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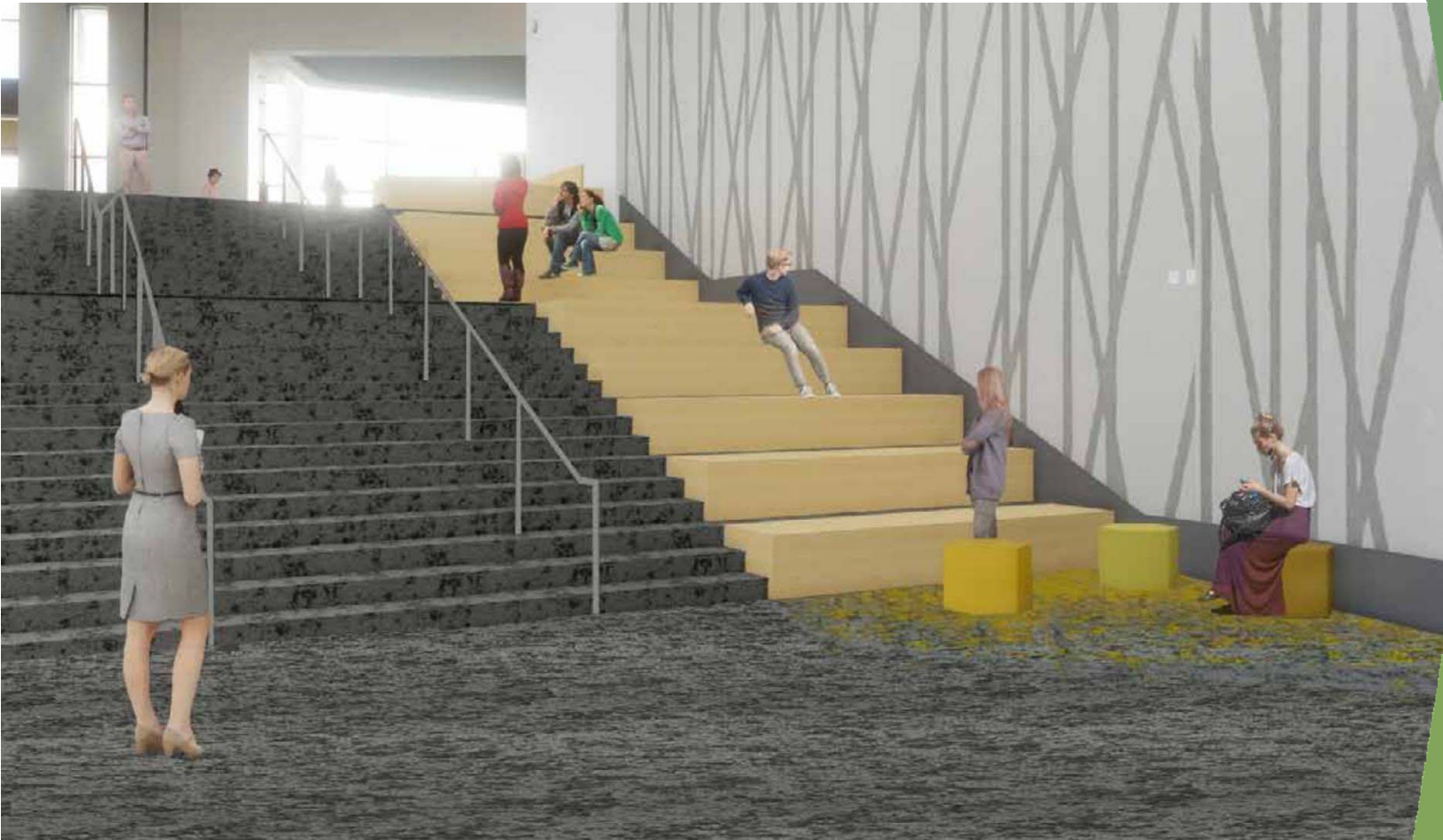
# Martin Luther King Jr. Lobby



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# Sit Steps



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Center

# Exhibit Hall Prefunction



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# Meeting Room Foyer



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Convention  
Center

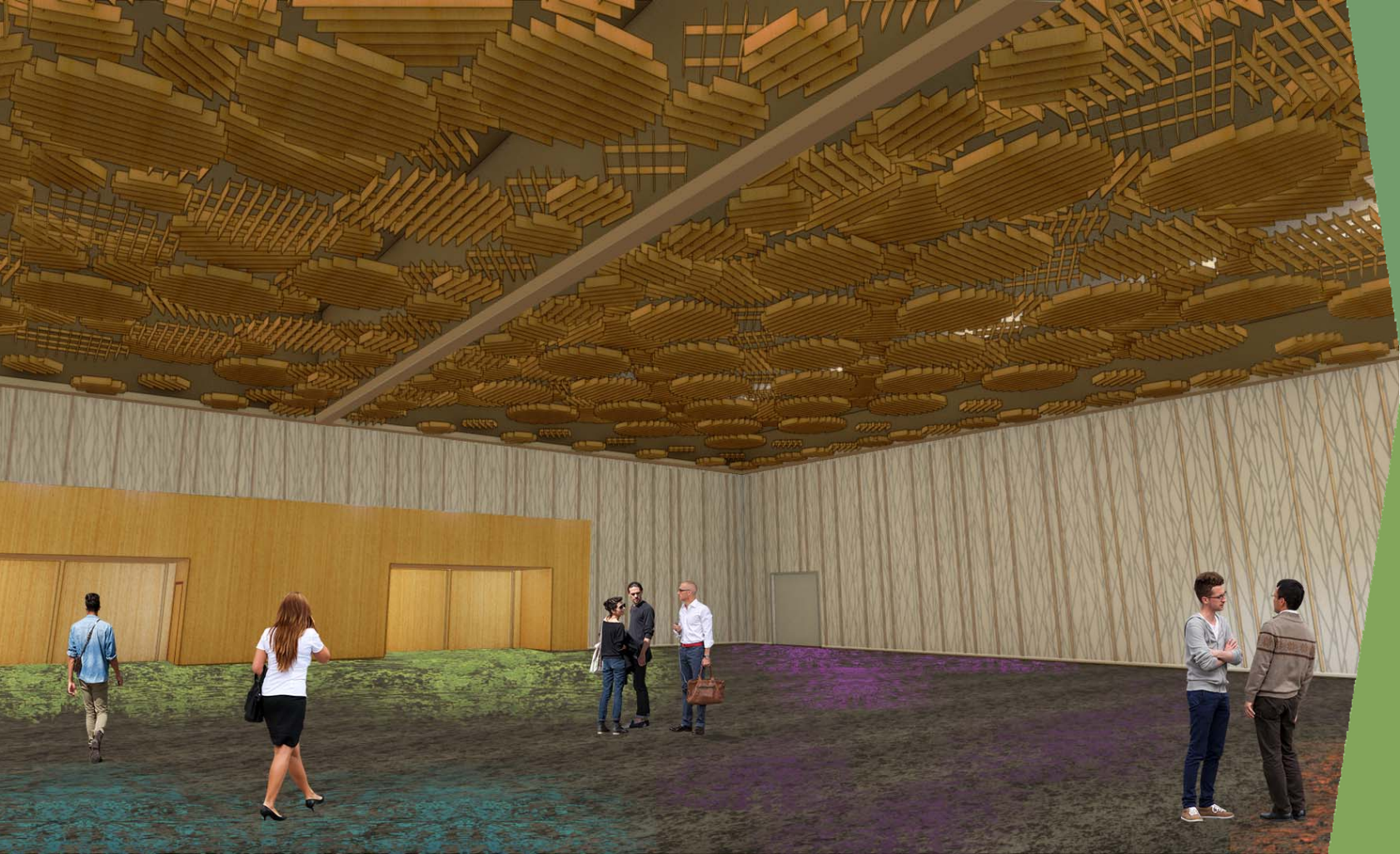
# Oregon Ballroom Lobby



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Convention  
Center

# Oregon Ballroom



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Convention  
Center

# MERC Commission Budget Process



Date	Meeting / Action	✓
November 1, 2017	MERC Commission Meeting - Budget Retreat	✓
January 24, 2018	Budget Committee Meeting - Capital	✓
February 12, 2018	Budget Committee Meeting - Operations	
March 7, 2018	MERC Commission Meeting - Budget Presentation	
April 12, 2018	Metro Council Meeting - Budget Proposal	

**Thank You**  
**[oregonmetro.gov](http://oregonmetro.gov)**



**Metropolitan Exposition Recreation Commission**  
**Record of MERC Budget Committee Meeting**  
 January 24, 2018  
 Oregon Convention Center, King Board Room

<b>Present:</b>	Karis Stoudamire-Phillips, Deidra Krys-Rusoff
<b>Absent:</b>	Dañel Malán
	A meeting of the Metropolitan Exposition Recreation Commission Budget Committee was called to order by Budget Chair Deidra Krys-Rusoff at 3:01 p.m.
<b>1.0</b>	<p><b>INTRODUCTION</b></p> <p>MERC Budget Chair, Deidra Krys-Rusoff, opened the meeting with welcoming and introductory comments.</p> <p><i>Commissioner Stoudamire-Phillips joined the meeting at 3:12 p.m.</i></p>
<b>2.0</b>	<p><b>CAPITAL PROJECTS</b></p> <p>MERC Finance Manager, Rachael Lembo, explained the budget process and provided an outline of the meeting stating that each venue director will describe in detail a few of their large capital projects in detail. Then invited Matthew P. Rotchford and Chuck Dills of the Expo Center to begin.</p> <ul style="list-style-type: none"> <li>• Rotchford and Dills provided details about the Cirque Parking Lot Improvements, Hall C Enhancements and Security improvements for the committee.</li> <li>• Krys-Rusoff inquired whether there was enough bandwidth to accomplish the projects on the expected timelines.</li> </ul> <p>Rotchford responded that staff is focused and processes are in place to accomplish them in the planned timeline adding that, if needed, the cPMO staff can provide assistance.</p> <p>Krys-Rusoff asked that the commission be informed if any project is not progressing as planned.</p> <p>Robyn Williams and Julie Bunker of the Portland’s Centers for the Arts presented details about the orchestra shell replacement project.</p> <ul style="list-style-type: none"> <li>• Krys-Rusoff inquired about issues that could change the timeline of the project. Williams responded that outside or uncontrollable issues such as the electrical fire during a Book of Mormon performance a couple of years ago and cPMO vacancies in the past have been the main reasons for inability to meet timelines. Bunker added that a few past projects were scoped or budgeted incorrectly and that had an effect on the timelines. Williams added that the theater will be closed to complete the orchestra shell project and other projects such as elevator updates will occur during that same time frame so issues with the planned completion of them shouldn’t be a problem. She noted that help from the cPMO staff has been great.</li> <li>• Stoudamire-Phillips inquired about timing for the planned shutdown. Bunker responded that the plan is to start July 1 and continue for 10 weeks.</li> <li>• Cruickshank inquired when the architectural review is being done. Bunker responded that it being worked on now.</li> <li>• Krys-Rusoff requested that the Commission be informed if anything changes with the timeline.</li> </ul> <p>Craig Stroud and Matt Uchtman of the Oregon Convention Center provided details about the renovation projects being done in preparation for the opening of the Hyatt Regency Portland in late 2019. Stroud then provided details about the renovation project plans, goals and included details about the design.</p> <ul style="list-style-type: none"> <li>• Krys-Rusoff inquired whether the facility had the bandwidth to complete the projects. Uchtman responded that extensive planning is being done now to make certain that projects are completed during upcoming downtimes at the venue.</li> <li>• Krys-Rusoff inquired whether anything keeps the director and staff up at night.</li> </ul>

	<p>Uchtman noted that there's a lot that needs to happen but that planning is being done now to keep them on the right track.</p> <p>Stroud added that planning includes putting in place necessary processes and providing needed documentation – all of which is being done.</p> <p>Krys-Rusoff requested that the commission be informed if anything should change.</p>
<b>3.</b>	<p><b>COMMISSION BUDGET PROCESS REVIEW</b></p> <p>Lembo went over the remaining schedule for approval of the MERC FY 19 budget.</p> <p>Krys-Rusoff offered her thanks to staff for their preparation stating that she appreciates the actionable plans provided by all adding that they were more goal-oriented this year. As a result, she is confident that there will be higher project completion rates.</p>
<b>Adjourn</b>	<p>The meeting was adjourned at 4:17 p.m.</p>