

**METROPOLITAN EXPOSITION RECREATION COMMISSION**  
**Resolution No. 18-02**

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.

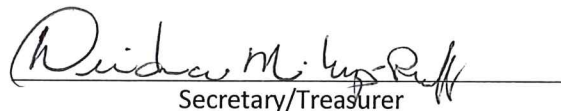
**BE IT THEREFORE RESOLVED THAT,**

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 February 7, 2018.

  
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:** 18-02

**Presented By:** Rachael Lembo, MERC Finance Manager

**Date:** February 7, 2018

### **Background and Analysis:**

This amendment proposes two types of CIP amendments: budget adjustments in existing projects and a timing adjustment to the five-year CIP schedule. There are no new projects proposed in this amendment.

### ***CIP Amendment – Oregon Convention Center***

**The following amendment is a timing adjustment on the five-year CIP schedule.**

The Master Plan Renovation will have costs spread out over multiple fiscal years. The latest projection has costs shifting from FY2017-18 to FY2018-19 and FY2019-20. The project is still expected to be completed on time, prior to the Hyatt Convention Center Hotel opening in December 2019. The total project budget of \$35.5 million does not change. This amendment only impacts the fiscal years the expenses are expected to be incurred, and results in a reduction to the capital budget in the current year.

#### **FY 2017-18 Budget Impact – OCC CIP, 5 year CIP updates**

<b>Project Description</b>	<b>Project #</b>	<b>FY 17-18 Current Budget</b>	<b>Amendment</b>	<b>FY 17-18 Amended Budget</b>
Master Plan Renovation	8R082	6,000,000	(1,360,000)	4,640,000
Contingency		31,130,497	1,360,000	32,490,497

### ***CIP Amendment – Portland Expo Center***

**The following amendment is a budget and timing adjustment in an existing project:**

- The Connector Glass Door project proposes an increase of \$105,000.

This project will expand the plaza for additional food and beverage sales opportunities. The original budget, prior to design, was \$165,000 over two fiscal years. The design work has now been completed and the architect has submitted a cost estimate for construction, which is higher than the current budget. This is due to various factors, including additional scope to provide more flexibility for food and beverage setups, additional requirements by the Portland Bureau of Development Services on exterior concrete work, and a higher cost escalation factor than was assumed at the time of original budget. Expo will be accepting bids throughout February, and would like to begin the work this fiscal year. Based on the bids received, the Expo event schedule, and potentially long lead times, the project may need to be carried forward to FY18-19. However, at this point the entire budget is being requested for FY17-18 to ensure funding is available.

**The following amendments are budget adjustments in existing projects:**

- The New Hall A Shore Power project proposes an increase of \$70,000.  
This project extended high voltage power to Lower Parking Lot 1. It involved infrastructure construction, acquisition and installation of Electrical Switchgear (shore power) and temporary shelter. There were a number of unforeseen conditions and unaccounted for PGE design standards and stipulations which resulted in contract change orders, additional engineering and special inspections. In addition, this project was under a tight schedule to be completed prior to the arrival of Cirque du Soleil.
- The increased costs of the two projects above will be covered by \$175,000 of expected savings in the Halls D&E Roof Replacement Project. That project is nearly complete, with the connector roof, modifications to existing rooftop penthouses and final roof coating to be done this spring.

**FY 2017-18 Budget Impact**

<b>Project Description</b>	<b>Project #</b>	<b>FY 17-18 Current Budget</b>	<b>Amendment</b>	<b>FY 17-18 Amended Budget</b>
Connector Glass Door	85106	120,000	105,000	225,000
New Hall A Shore Power	8R170	150,000	70,000	220,000
Halls D&E Roof Replacement	8R136	1,919,689	(175,000)	1,744,689
<b>Projects Subtotal:</b>		<b>\$2,189,689</b>	<b>\$0</b>	<b>\$2,189,689</b>

**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 18-02.

<b>Oregon Convention Center Amended CIP Summary</b>							
	Prior Years	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
<b>Convention Center Operating Fund</b>							
OCC Capital projects < \$100k	-	273,000	-	75,000	-	-	348,000
Master Plan Renovation	580,000	4,640,000	27,630,000	2,650,000	-	-	35,500,000
CCTV Replacement	-	450,000	-	-	-	-	450,000
Lding Dock Imprvmnts	20,000	360,000	-	-	-	-	380,000
EST-3 Fire Alarm Notification Upgrades	334,000	41,000	-	-	-	-	375,000
Integrated Door Access Controls	-	300,000	-	-	-	-	300,000
Staff & Setup Supervisor Support Space Renc	-	644,000	-	-	-	-	644,000
Lighting Control System	-	275,000	-	-	-	-	275,000
POS Replacement	-	230,000	-	-	-	-	230,000
Movable Partition Refurbishment	-	180,000	-	-	-	-	180,000
Building Envelope	-	150,000	700,000	-	-	-	850,000
A/V Equipment (NBS)	-	150,000	150,000	150,000	150,000	150,000	750,000
Cooling System Rplcmnt	-	80,000	2,300,000	-	-	-	2,380,000
Alerton Glbl Cntrlr Upgrd	-	70,000	50,000	-	-	-	120,000
Orbit Bakery/Front Remodel	-	-	700,000	-	-	-	700,000
Lighting Project - BOH, Offices	-	-	500,000	-	-	-	500,000
Crbrd Baler & Cnpy	-	-	215,000	-	-	-	215,000
WiFi & Show Network Upgrades	-	-	120,000	-	130,000	-	250,000
Chair Replacement	-	-	-	600,000	-	660,000	1,260,000
Table Replacement	-	-	-	400,000	-	-	400,000
AV Audio System Upgrade	-	-	-	315,000	-	-	315,000
Sandwich Company Renovation	-	-	-	250,000	-	-	250,000
Public Circulation Furniture Replacement	-	-	-	175,000	-	-	175,000
Portland Roasting Coffee Renovation	-	-	-	150,000	150,000	-	300,000
Boiler Replacement (2)	-	-	-	-	1,750,000	-	1,750,000
Tortilla Crisp Renovation	-	-	-	-	400,000	-	400,000
<b>Information Systems and Property and Eviron. Services Projects</b>							
VOIP Phone System Upgrade Phase II	-	300,000	-	-	-	-	300,000
VOIP Phone System Upgrade	-	52,500	-	-	-	-	52,500
<b>Oregon Convention Center Fund Total</b>		<b>\$8,195,500</b>	<b>\$32,365,000</b>	<b>\$4,765,000</b>	<b>\$2,580,000</b>	<b>\$810,000</b>	<b>\$49,649,500</b>
<b>Total changes in proposed amendment</b>		<b>(\$1,360,000)</b>	<b>(\$1,370,000)</b>	<b>\$2,650,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Expo Center Amended CIP Summary</b>							
	<b>ID</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
<b>Expo Fund</b>							
Capital projects < \$100k		421,553	185,000	205,000	-	150,000	961,553
Hall D Roof Repairs/Replacement	8R136	1,744,689	975,000	-	-	-	2,719,689
POS Micros System	EXTBD16	160,000	-	-	-	-	160,000
Hall A Elec. transformer/LP1 Shore Power /Cirque	EXTBD31	220,000	-	-	-	-	220,000
Parking Lot Asphalt Maintenance / Replacement	8R040	135,000	60,000	60,000	60,000	60,000	375,000
Connector Glass Door	85106	225,000	-	-	-	-	225,000
PGE Upgrades	TBD	100,000	-	-	-	-	100,000
Roof Repair - Halls ABC Minor Repairs	8R135	80,000	135,000	10,000	10,000	10,000	245,000
WiFi - Telecommunications Upgrade	8R139	80,000	-	-	50,000	-	130,000
Hall C HVAC Study and Installation	EXTBD25	35,000	250,000	-	-	-	285,000
Lighting Control review and install - Halls ABCDE	EXTBD30	20,000	150,000	-	-	-	170,000
Sport Court / Futsal	EXTBD23	-	175,000	-	-	-	175,000
Hall C Roof Recoat	EXTBD49	-	125,000	-	-	-	125,000
Halls ABC Interior Paint (R&R)	EXTBD12	-	120,000	-	-	-	120,000
UP4 New Storage Building	EXTBD19	-	50,000	250,000	-	-	300,000
Expo Website Update	EXTBD32	-	50,000	200,000	-	-	250,000
Facility Wide Door review / install / security	EXTBD27	-	35,000	250,000	-	-	285,000
Electrical Equipment (New Bus/Capital)	EXTBD06	-	-	150,000	-	-	150,000
Hall D Kitchen Office Conversion	EXTBD17	-	-	35,000	300,000	-	335,000
Hall D Storage Office Conversion	EXTBD18	-	-	35,000	300,000	-	335,000
Roof Repair - Hall E Loading Dock (TLT Pooled)	EXTBD02	-	-	-	375,000	330,000	705,000
Facility Wide Overhead Door review / install	EXTBD28	-	-	-	35,000	250,000	285,000
Parking Entry System and Loop Replacement	EXTBD50	-	-	-	-	700,000	700,000
Hall E HVAC	EXTBD39	-	-	-	-	290,000	290,000
<b>Information Systems and Property and Eviron. Services Projects</b>							
VOIP Phone System Upgrade Phase II	65701C	70,740	-	-	-	-	70,740
VOIP Phone System Upgrade	65701B	37,200	-	-	-	-	37,200
<b>Expo Center Fund Total</b>		<b>\$3,329,182</b>	<b>\$2,310,000</b>	<b>\$1,195,000</b>	<b>\$1,130,000</b>	<b>\$1,790,000</b>	<b>\$9,754,182</b>
<b>Total changes in proposed amendment</b>		<b>\$0</b>	<b>(\$45,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$45,000)</b>