
MERC Commission Retreat

October 12, 2009
9:00 am – 3:00 pm

Doubletree Hotel Executive
Meeting Center – Adams Room
1000 NE Multnomah
Portland, Oregon

October 7, 2009

To: MERC Chair Conkling
 Commissioner Dozono
 Commissioner Erickson
 Commissioner Hammerstad
 Commissioner Haruyama
 Commissioner Leary
 Commissioner McClain

From: Michael Jordan, Metro Chief Operating Officer
 Cheryl Twete, Interim General Manager

Subject: October 12, 2009 MERC Commission Retreat

Enclosed please find your agenda package for our upcoming Commission retreat at the Double Tree Hotel – Adams Room - in the Lloyd District on October 12, 2009 from 9:00 am to 3:00 pm. Michael Jordan and I have been working with our facilitator Sue Dicile to develop a focused, strategic agenda and meeting approach that we believe meets your needs and interests. Your time is very valuable to the organization and we thank you for generously giving of your day.

At the retreat, we will engage in a candid discussion of the role and value that the MERC Commission provides based on the expertise of the members, the expectations of future working relationships with the Metro COO and a working proposal from the Metro COO on what this new approach (or operating assumptions) could look like.

Invited attendees at the retreat will be Commissioners, Michael Jordan, Nathan Sykes, Lisa Brown and me. This will, however, be a public meeting and noticed appropriately.

In this package you will find:

Retreat Agenda and Cover Memo from Sue Dicile

Background information on Sue Dicile Group

Background Materials for Retreat:

 Metro Code Title VI Metropolitan Exposition-Recreation Commission

 MERC By-laws

 MERC Strategic Plan

 MERC Organization Chart

Metro Organization Chart

Michael Jordan's August 6, 2009 Memo on MERC Recommendations

Hotel/Motel Tax – Visitor Development Initiative Background Memo (per your request – not for retreat)

I also wanted to make you aware of some of the logistical details of the day. The retreat will be held at:

DoubleTree Hotel, Executive Meeting Center

The Adams Room

1000 NE Multnomah (near Lloyd Center)

9:00 am to 3:00 pm

Parking in Adjacent Structure – bring parking ticket to retreat for validation

If you have any questions about the retreat, please call Lisa Brown at 503.274.6595. Michael and I will both be out-of-town the remainder of the week but available by cell phone and email. My cell phone is 503.318.9614. We look forward to seeing you on Monday.

Sue Dicile Group
2000 NE 42nd Ave Ste D #236
PH: 503-287-9345
FX: 503-287-9293
EM: sue@suediciplegroup.com

Memorandum

DT: October 6, 2009

TO: MERC Commissioners
CC: Cheryl Twete, Interim Director
Michael Jordon, Metro COO

FR: Sue Dicile

RE: Commission Retreat

Greetings, Commissioners,

First off, thank you to Commissioners who have scheduled time to speak with me while I have been preparing to facilitate this retreat session at MERC. Your insights have been invaluable in helping me get up to speed on the issues at MERC and on commissioner expectations for session outcomes.

An overview agenda for the retreat is attached. After speaking with you it was clear that as much of the time as possible on the day of the retreat should be available for discussion. To that end, the following are included in the retreat packets:

- Metro's Title VI Chapter 6.01
- MERC and Metro Organization Charts
- MERC by-laws

Your pre-session review of these structural elements will eliminate the need for a presentation in favor of a more abbreviated Q&A so that critical questions can be answered and we can move as soon as possible into discussion.

A copy of an August memo from Michael Jordan outlining some of the background leading up to this retreat is also included. I have not read the memo but thought it was a good idea to distribute it to all, so that all Commissioners, ongoing and new, have a common set of reference and background information.

Please contact me if you have comments, questions or concerns about the meeting process. I look forward to seeing and working with you on Monday.

MERC

Commission Retreat

October 12, 2009

9:00 – 3:00

DoubleTree Hotel Executive Meeting Center - Adams Room

Session Purpose

1. Engage in a candid and solution-oriented discussion regarding the MERC Commission/Metro Council relationship
2. Recommend roles and responsibilities so that MERC can provide the stewardship of key public facilities management in the best interests of the buildings and its clients and customers
3. Define key working relationships and conflict resolution protocols.
4. Understand what Commissioners need to go forward with the recommendation.

AGENDA

Time	Item	Led by
8:45	Gather for coffee	
9AM	Opening Introductions Agenda review	Cheryl Twete, Interim Director All Facilitator
9:30	Discussion ▪ Debrief	Facilitator Commissioners
10:15	Break	
10:30	Q & A on MERC authorization (Code Chapter VI), organization structure, and by-laws	Nathan Sykes Commissioners
10:45	Discussion ▪ Roles and Responsibilities	Commissioners Michael Jordan, METRO COO Facilitator
Noon	Lunch	
1:00	Discussion ▪ Commissioners' recommended approach ▪ Working relationships, agreements, and conflict resolution protocols	Commissioners Facilitator
2:45	Next steps	All
3:00	Session Closing	

Sue Dicile Group

SERVICES AND MISSION

Sue Dicile Group is a professional firm that provides organization development, planning, public involvement, and issue resolution services. For over 20 years we have assisted clients to establish vibrant and effective organizations and sound collaborative decision-making. Our professional mission is to facilitate positive change in organizations and communities.

We provide an integrated offering of client-specific professional services in the areas of:

- Public Involvement
- Issue Resolution
- Strategic, Operational, and Business Planning
- Organization Development and Team-Building
- Needs Assessment
- Board Development
- Facilitation
- Group Communication and Decision Skills Development

Over the past 20 years, Sue Dicile Group has provided comprehensive management and facilitation of complex planning, organization development, and issue resolution projects in the private, public, and non-profit sectors. The benefits we contribute include:

- Extensive ***process design experience***, from project start-up through implementation and final documentation.
- State-of-the-art ***group facilitation skills***.
- ***An ethical framework that fosters trust and collaboration among diverse parties.***
- ***Experienced project management staff*** that can offer full-service professional and administrative support to large-scale planning and organization development projects.

SPECIALIZED PROGRAMS

High-Stakes Facilitation: An advanced skill-set training for facilitators who work in high stakes and high conflicts arenas.

Group Decision-Making in Record Time: A customizable program of practical skills to assist teams, boards, and task groups to conduct fair, timely and effective group decisions.

The 10 Habits of Highly Effective Boards of Directors: A program and survey that enables members to assess board practices and evaluate effectiveness.

Characteristics of High Performing Teams: A team self-assessment program that enables team members to rate team performance on nine key indicators and set intentions for improvement.

Leadership and Communication Styles Workshops using the Kiersey Bates and Situational Leadership models.

High Performance Team Assessment and Skill-Building: An assessment model that enables teams to evaluate their own performance based on ten key indicators, and develop tools and agreements for taking the team to the next performance level.

Principal Consultant: Sue Dicile

Sue Dicile is the principal consultant with Sue Dicile Group. The focus of her practice is the design, facilitation, and project management of collaborative planning and issue resolution processes. Her professional mission is to facilitate positive change in communities and organizations.

In 1980 Sue was recruited by the State of Oregon community college system to participate in a nationally recognized business development team. In private practice since 1984, Sue has worked extensively with industry, community-based and non-profit organizations, and government agencies in the areas of planning, organization development, leadership development, and issue resolution. She is widely recognized for her excellent facilitation and conflict mediation skills based on 20 years of group process experience. She is often called upon by agencies and stakeholders to facilitate some of the most complex and controversial issues in the Northwest region and nationally.

Sue is the author of several innovative training and professional skills development programs, including co-authorship of a program for experienced facilitators that features advanced tools and techniques for high-conflict situations; and a workshop featuring practical skills to assist teams, boards, and task groups to conduct fair, timely and effective group decisions.

Organizations that have utilized her planning and problem-solving services and featured her workshops and facilitated worksessions include:

- The Offices of the Governors of Oregon, Colorado, and Hawaii
- Washington State Department of Ecology
- US Fish and Wildlife Service
- US Department of Justice
- The Oregon Lottery
- Manhattan Neighborhood Network
- The Benton Foundation
- Nike
- Tektronix
- Hewlett-Packard
- Northwest Natural Gas
- PacifiCorp
- Lightspeed Networks
- Johnstone Supply
- Oregon State Police
- Cities of Portland, Corvallis, Gresham, Wilsonville, Salem, McMinnville and Bend (OR); Richland, WA; Tucson, AZ; San Francisco and Sacramento (CA), and the Borough of Brooklyn (NY)
- Public power utilities and related service providers throughout the Northwest

Sue's professional and volunteer experience in the field of public interest telecommunications has led to leadership positions at local, state, and national levels. She served as project manager for the Oregon Telecommunications Forum Council on behalf of Governor John Kitzhaber. She served for six years on the national board of directors of the Alliance for Community Media. She currently serves as a commissioner on the Mt. Hood Cable Regulatory Commission representing the City of Portland, Oregon, where as chair of the Community Access Grants Committee she oversees the allocation of nearly one million dollars in technology grants annually to community-based organizations in the MHCRC franchise area.

Sue has been a featured columnist with The Daily Journal of Commerce, focusing primarily on planning and organizational development issues. She has taught professional development courses, as an adjunct faculty member, at Portland State University and Mt Hood Community College. She is a member of the American Society of Training and Development (ASTD), the Alliance for Community Media (ACM), and the National Association of Telecommunications Officers and Advisors (NATOA).

METROPOLITAN EXPOSITION-RECREATION COMMISSION

BY-LAWS

SECTION ONE, THE COMMISSION

SUBSECTION 1. Name of the Commission: The Metropolitan Exposition-Recreation Commission as created by Chapter 6.01 of the Metro Code shall be composed of seven members who shall be appointed by the Metro Council President subject to confirmation by the Council.

(Amended by MERC Resolution No. 05-01 January 26, 2005)

SUBSECTION 2. Powers and Authority of the Commission: Powers and authority as provided under various sections of Chapter 6.01 of the Metro Code, other applicable sections of the Metro Code, and applicable law shall be vested in the Commissioners in office from time to time.

(Amended by MERC Resolution No. 05-01, January 26, 2005)

SECTION TWO, OFFICERS

SUBSECTION 1. Officers: The officers of Commission shall be a Chairperson, Vice Chairperson and Secretary-Treasurer.

SUBSECTION 2. Chairperson: The Chairperson shall preside at all meetings of the Commission. At such meetings the Chairperson shall submit such recommendations and information as he/she may consider proper concerning the business, affairs and policies of the Commission. Except as otherwise authorized by resolution, the Chairperson and Secretary-Treasurer shall sign all contracts, deeds and other instruments made by the Commission.

SUBSECTION 3. Vice Chairperson: The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson and in case of the resignation or death of the Chairperson, the Vice Chairperson shall perform such duties as are imposed on the Chairperson until such time as a new Chairperson shall be selected.

SUBSECTION 4. The Secretary-Treasurer: The Secretary-Treasurer shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson and the Vice Chairperson and shall act as Chairperson of the Budget Committee. It shall be the duty of the Secretary-Treasurer to formally submit the minutes of past meetings to the Commission for approval.

SUBSECTION 5. Additional Duties: The officers of the Commission shall perform such other duties and functions as may from time to time be required by the Commission or by the By-Laws or Rules and Regulations of the Commission.

SUBSECTION 6.

Election of Officers: The Chairperson, Vice Chairperson and Secretary-Treasurer shall be elected annually by the Commissioners from among their members not later than June 30 of each year, and shall take office on the following July 1, and shall hold office for one year, or until their successors are elected and qualified.

(Proposed by MERC Resolution No. 94-44, tabled until September meeting; Amended by MERC Resolution No. 94-56, September 14, 1994; Amended by MERC Resolution No. 02-11, June 19, 2002, Amended by MERC Resolution No. 05-01 January 26, 2005.)

SUBSECTION 7. Vacancies: Should the offices of the Chairperson, Vice Chairperson, or Secretary-Treasurer become vacant, the Commission shall elect a successor from its membership at the next regular meeting and such election shall be for the unexpired term of such office.

(Amended by MERC Resolution No. 05-01, January 26, 2005)

SUBSECTION 8. General Manager: The Commission shall appoint a General Manager at such compensation as may be determined by the Commission. The appointment as General Manager shall continue at the pleasure of the Commission, or until resignation.

SUBSECTION 9. Personnel: The Commission shall create and fill such additional positions from time to time at such compensation as it shall determine to be necessary. The persons appointed to fill these positions shall serve in such positions at the pleasure of the Commission, or until resignation.

SUBSECTION 10. Metro Attorney: The Metro Attorney or a member of his/her staff shall serve as attorney for the Commission. With the permission of the Metro Attorney, the Commission may retain outside counsel for specific services. Compensation shall be paid to Metro for services performed by the Metro Attorney or member of the staff in an amount to be determined from time to time.

(Amended by MERC Resolution No. 05-01, January 26, 2005)

SECTION THREE, MEETINGS

SUBSECTION 1. Regular Meetings: The Commission shall schedule one regular meeting each month. All meetings shall be held at the Oregon Convention Center, 777 N.E. Martin Luther King, Jr. Blvd., Portland, Oregon, or at such other place within the Metro boundaries as the Chairperson shall determine. If a regular meeting date shall fall on a legal holiday, that meeting shall be held on the preceding day. The General Manager shall provide for and give public notice, reasonably calculated to give actual notice to interested persons, including news media which have requested notice, of the time and place for the regular meeting. The notice shall include an agenda of the principal subjects anticipated to be considered at the meeting, all in accordance with the Oregon Public Meetings Law.

(Proposed by MERC Resolution No. 94-44, tabled until September meeting; Amended by MERC Resolution No. 94-56, September 14, 1994, Amended by MERC Resolution No. 05-01, January 26, 2005.)

SUBSECTION 2. Special Meetings: The Chairperson, when he/she deems it expedient and, on the request of two members of the Commission, shall call a special meeting of the Commission to be held at such time and place as he/she shall appoint, for the purpose of transacting any business designated. The General Manager shall cause written notice of each special meeting to be mailed to each Commissioner, each news medium requesting notice, and to interested persons requesting notice, not less than 24 hours prior to such meeting, all in accordance with the Oregon Public Meeting Law.

SUBSECTION 3. Quorum: At any regular or special meeting a quorum shall consist of four or more members of the Commission, however, no action shall be taken except upon the positive vote of four members. The Chairperson shall call members to order at the hour designated for the meeting. In the absence of a quorum, absent members shall be informed, if possible, that their presence is required to enable the Commission to proceed to the business at hand. Should a quorum fail to appear within a reasonable time, the members present shall adjourn to some fixed time.

SUBSECTION 4. Manner of Voting: The vote on all questions coming before the Commission shall be by voice vote, and the ayes and nays shall be entered into the minutes of such meetings. The presiding officer may vote in all cases.

SUBSECTION 5. Order of Business:

- a. Consent Agenda. The Chairperson may order the unanimous approval of any matter or matters before the Commission unless there is an objection from one or more of the Commissioners. If there is an objection by any Commissioner to any matter or matters proposed for the consent agenda, the matter or matters shall be removed from the consent agenda and treated as a separate matter.
- b. Order of Business: The order of business shall be as determined by the Chairperson.

(Amended by MERC Resolution No. 98-47, November 18, 1998.)

SUBSECTION 6. Form of Action: All final actions of the Commission shall be by resolution. No final action shall be made except upon the positive vote of four members of the Commission. Resolutions shall become effective as provided in Chapter 6.01 of the Metro Code.

(Amended by MERC Resolution No. 05-01, January 26, 2005)

SUBSECTION 7. Transmittals of Actions: Within five days of the passage of any resolution the General Manager shall cause a copy of the resolution to be filed with the Metro Council Clerk.

SECTION FOUR, PROCEDURE

SUBSECTION 1. Standing or Special Committees: The Chairperson is authorized to refer items to standing or special committees for recommendation and report. All committees shall be appointed by the Chairperson unless otherwise ordered by the Commission. The Commission member first named shall act as Chairperson thereof. Appointments to such committees need not be restricted to members of the Commission.

SUBSECTION 2. Authorization to Draw Requisitions or to Issue Warrants: Any two members of the Commission or one member of the Commission and the General Manager or such other employees as the Commission may direct are authorized to draw requisitions or to issue warrants, as the case may be, upon the appropriate fund in payment of the following items:

- (1) All disputed claims (including claims for wages, labor and materials, injuries or of any nature whatsoever) if such claims are first approved by the Commission. In this regard, an auditing committee of the Commission which shall include one member of the Commission as Chairperson but which may include other members of the committee not members of the Commission may be appointed to consider disputed claims and recommend appropriate action to the Commission.
- (2) Interest on bonds outstanding or which may hereafter be issued, said warrants to be issued on or before the date on which the interest becomes due.
- (3) Amounts due according to Commission contracts for the purchase and/or installation of materials and/or machinery when the terms of such contracts or purchase or installation specify the date on which payment must be made; provided, however, that a member of the Commission or some responsible person authorized by the Commission certifies that such material or machinery have been received or contracted for, or that such installation has been satisfactorily made in accordance with the contract terms.
- (4) Amounts retained for thirty (30) days on contracts approved by the Commission; provided, however, that no liens, charges or other contingent claims have been received by the Commission or filed against the property or properties embraced in the respective contracts under which the amounts were retained.
- (5) Payroll reimbursements, or replenishment of the current fund from the Metropolitan Exposition-Recreation fund on deposit with Metro.
- (6) Any regular payrolls of the Commission.
- (7) Items on which a substantial discount would be lost if not paid before a specified date which must be before the next regular meeting of the Commission.
- (8) Federal Withholding Taxes.

- (9) State of Oregon Withholding Taxes.
- (10) Public Employees Retirement Fund.
- (11) State of Oregon Industrial Accident Commission.
- (12) Any other state or federal fund into which the Commission is compelled by law to pay sums.
- (13) Any other amounts, which, in the considered opinion of the Chairperson and Secretary-Treasurer should be promptly paid in the best interests of the Commission and to properly execute the function for which it was created.
- (14) The Commission may direct the General Manager to issue warrants for payment or to commit Commission funds for normal day to day operating expenditures if such funds have been approved in the Budget, or specifically authorized by resolution of the Commission.
- (15) Where there has been performance according to the contract, the General Manager is authorized to issue warrants for amounts payable under contracts approved by the Commission.

SECTION FIVE, TRAVEL

SUBSECTION 1. Transportation and Expense Allowances: The Commission shall, by resolution, establish a policy and procedure for reimbursing Commissioners and Commission employees for expenses necessarily incurred on Commission business.

(Amended by MERC Resolution No. 167, March 11, 1992.)

SECTION SIX, AMENDMENT

SUBSECTION 1. Amendment to By-Laws: The By-Laws of the Commission shall be amended only with the approval of at least four of the members of the Commission at a regular or special meeting, by duly adopted resolution but no such amendment shall be adopted unless written notice thereof has been previously given to all of the members of the Commission at the previous regular Commission meeting.

m:\attorney\confidential\5.3.1\MERC By-Laws.red.ResNo05-01.120904
OMA/LMU/kvw (12/09/04)

TITLE VI

COMMISSIONS

CHAPTERS	TITLE
6.01	Metropolitan Exposition-Recreation Commission

CHAPTER 6.01

METROPOLITAN EXPOSITION-RECREATION COMMISSION

SECTIONS	TITLE
6.01.010	Purpose
6.01.020	Definitions
6.01.030	Commission Created
6.01.040	Powers
6.01.050	Budget and Accounts
6.01.060	Commission Meetings
6.01.070	Delegation
6.01.080	Filing and Effective Date of Commission Resolutions
6.01.090	Initial Charge to Commission (repealed Ord. 97-677B §3)
6.01.100	Commission Business Plans

6.01.010 Purpose

The purpose of this chapter is to establish a metropolitan commission to renovate, maintain, operate, and manage metropolitan convention, trade and spectator facilities pursuant to the Metro Charter. The commission established by this chapter is intended by the Metro Council to operate in a cost effective, independent, entrepreneurial and accountable manner, so as to provide the greatest benefit to the residents of the Metro region. The provisions of this chapter shall therefore be liberally construed so as to achieve these ends. The commission is subject to the authority of the Metro Auditor to perform the duties of that office.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 97-677B, Sec. 3; Ordinance No. 02-975, Sec. 1.)

6.01.020 Definitions

As used herein:

- (a) "Commission" means the Metropolitan Exposition-Recreation Commission established hereunder;
- (b) "Council" means the Metro Council;
- (c) "Councilor" means a member of the Council;
- (d) "Council President" means the Council President of Metro;

(e) "Metro Auditor" means the Office of Metro Auditor created pursuant to the Metro Charter.

(f) "MERC General Manager" means the chief administrative officer of the Commission or any other position employed by the Commission that directly reports to the Commission.

(Ordinance No. 87-225, Sec. 1; Ordinance No. 97-677B, Sec. 3; Ordinance No. 01-888B, Sec. 1; Ordinance No. 02-975, Sec. 1.; and Ordinance No. 09-1221C)

6.01.030 Commission Created

There is hereby created a Metropolitan Exposition-Recreation Commission consisting of seven (7) members. All members shall be residents of Metro.

(a) The Council President will make all appointments.

(b) The Council President may reject a nomination. Appointments of all members are subject to confirmation by the Metro Council.

(c) All members shall serve four (4) year-terms. Members may be re-appointed. Prior to December 31, 2001, a member may serve until the successor is confirmed; thereafter, upon the expiration of a term, the position shall be considered vacant until a member is appointed or re-appointed and confirmed.

(d) Nomination Process. The Council President will accept nominations to the commission as follows:

- (1) The County Commissions of Clackamas, Multnomah and Washington counties each shall nominate one (1) candidate. The candidates must be residents of the district and nominating county.
- (2) The City Council of the City of Portland shall nominate one (1) candidate for each of two (2) positions. The candidates must be residents of Metro and the City of Portland.
- (3) Two (2) nominees shall be at the sole discretion of the Council President. The candidates must be residents of Metro.

(e) Appointment Process.

- (1) For those positions on the commission which are subject to nomination by a local governmental

body, the Council President will receive the nominations from the relevant governing body and review the nomination prior to submitting the nomination to the Metro Council for confirmation. If the Council President fails to concur with any candidate so nominated by a local government, the Council President shall so notify the jurisdiction, which shall then nominate another candidate. This process shall continue until such time as the Council President agrees to transmit the name of the individual nominated by the local government. If an appointment submitted to the Council for confirmation as a result of this process is rejected by the Council, the Council President shall so notify the local government which shall nominate another candidate and the process shall continue until such time as a candidate nominated by a local government has been forwarded by the Council President to the Council for confirmation and has been confirmed.

- (2) If the Council fails to confirm an appointment made at the sole discretion of the Council President, the Council President may submit the name of another person for confirmation by the Council.

(f) A vacancy shall occur from the death, resignation, failure to continue residency within Metro and in the case of members nominated by a local government residency within the boundaries of the nominating government, or inability to serve of any member or from the removal of a member by the Council President, subject to approval of the removal by a majority of the members of the Council.

(g) Vacancies shall be filled pursuant to the procedure governing the initial appointment of members. A vacancy occurring prior to the expiration of a term shall be filled only until the end of the term.

(h) No person who is elected to a public office, or appointed to fill a vacancy in a public office, shall be eligible to serve.

(i) The commission may adopt its own rules of organization and procedure and may elect its own officers for such terms and with such duties and powers necessary for the performance of the functions of such offices as the commission determines appropriate.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 89-325, Sec. 1; Ordinance No. 97-677B, Sec. 3; Ordinance No. 01-888B, Sec. 1; Ordinance No. 02-975, Sec. 1.)

6.01.040 Powers

The commission shall have the following power and authority:

(a) To renovate, equip, maintain and repair any convention, trade, and spectator buildings and facilities for which the commission is responsible, and to advise the public owners of these facilities on financial measures which may be necessary or desirable with respect to initial construction or major capital projects;

(b) To manage, operate and market the use of the convention, trade, and spectator buildings and facilities for which the commission is responsible;

(c) To acquire in the name of Metro by purchase, devise, gift, or grant real and personal property or any interest therein as the commission may find necessary for its purposes. The commission may recommend to the Council the condemnation of property for use by the commission but may not itself exercise the condemnation power;

(d) To lease and dispose of property in accordance with ORS 271.300 to 271.360;

(e) To maintain and repair any real and personal property acquired for the purposes of the commission;

(f) To lease, rent, and otherwise authorize the use of its buildings, structures and facilities; to fix fees and charges relating to the use of said buildings, structures and facilities; to establish any other terms and conditions governing use of its buildings and facilities; and to adopt any regulations deemed necessary or appropriate for the protection of users and for the protection and public use and enjoyment of its buildings and facilities;

(g) To perform planning and feasibility studies for convention, trade, and spectator facilities within Metro;

(h) To employ, manage, and terminate such personnel as the commission may find necessary, appropriate, or convenient for its purposes under personnel rules adopted by the commission. Notwithstanding the foregoing, however, the Metro Chief Operating Officer shall employ, manage, and terminate the General Manager. Neither the Metro Council nor any of its members shall direct or

request the appointment of any person to, or removal from, office by the General Manager or any of the General Manager's subordinates;

(i) To employ professional, technical, and other assistance as the commission may find necessary, appropriate, or convenient for its purposes;

(j) To enter into contracts of such types and in such amounts, including intergovernmental agreements, as the commission may deem necessary, appropriate, or convenient for the renovation, equipment, maintenance, repair, operation, and marketing of the use of buildings and facilities for which it is responsible, and for professional and other services, under contracting rules adopted by the commission;

(k) To enter into intergovernmental agreements for the transfer of convention, trade, or spectator buildings and facilities to Metro, or for the transfer of operating and administrative responsibilities for such buildings and facilities to the commission, provided that the Council has approved such acquisition or transfer;

(l) To accept gifts and donations and to contract for and receive federal and other aid and assistance;

(m) To determine the type, quality, and scope of services required by the commission in order to conduct its business in a cost effective, entrepreneurial, and independent manner, as required by this chapter. Services of Metro including accounting, personnel, risk management, public affairs, and other services shall be provided by Metro subject to compensation being provided by the commission to Metro. The commission may acquire such services by other means, provided that the Council determines by duly adopted resolution that the provision of such services by other means is cost effective and results in a net benefit to the residents of Metro and the regional facilities managed by the commission. The commission's legal services shall be provided to the commission by the Metro Attorney. The commission may purchase legal services outside of Metro only with the permission of the Metro Attorney;

(n) To recommend to the Council and to the other public owners of buildings and facilities managed by the commission such long-term revenue and general obligation measures and other revenue-raising measures for the benefit of the commission's purposes as the commission may deem appropriate for consideration by the Council, by the other public owners of buildings or facilities managed by the commission, or the electors of Metro, but the commission may not adopt such measures itself;

(o) To recommend to the Council the adoption of ordinances carrying criminal and civil penalties for their violation, but the commission may not adopt such ordinances itself;

(p) To do all other acts and things necessary, appropriate, or convenient to the exercise of the powers of the commission.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 97-677B, Sec. 3; Ordinance No. 01-888B, Sec 1; Ordinance No. 02-975, Sec. 1; and Ordinance No. 09-1221C)

6.01.050 Budget and Accounts

(a) General Requirements. The commission accounts shall be kept in conformity with generally accepted accounting practices and in accordance with the local budget law, provided that the local budget law shall control in the event of a conflict with generally accepted accounting practices, and the accounts shall be audited yearly at the same time and by the same auditor as are Metro's accounts.

(b) Procedure for Commission Approval of Proposed Budget. The commission annually shall prepare a proposed budget and shall approve the proposed budget by duly adopted resolution. The commission's deliberations and actions on its budget, including any work sessions or subcommittee sessions, shall be conducted as public meetings as required by the Oregon statutes governing public meetings. Prior to approving any proposed budget, the commission shall provide a reasonable opportunity for interested persons to testify and make their views known with respect to the proposed budget. The commission shall include in its budget necessary cost allocations for services provided by Metro as recommended by the Chief Operating Officer.

(c) Procedure for Submission of Commission Budget to Metro. The commission shall transmit its proposed budget to the Metro Chief Operating Officer at the same time that Metro departments do so. The Chief Operating Officer shall review the submitted budget and submit the commission's proposed budget to the Council with the Chief Operating Officer's general budget submission to the Council, together with any recommendations the Chief Operating Officer may have for changes in the commission's proposed budget. The Chief Operating Officer shall include in the submitted budget the necessary cost allocation for providing services to the commission. The commission's budget shall be subject to review and approval by the Council. The Council shall make the final determination of cost allocations for services provided by Metro.

(d) Content of Commission's Budget. To the maximum extent permitted by law, the commission's budget shall consist of one commission-wide series of appropriations in those categories which are required by local budget law, applicable to all buildings, facilities, and programs managed by the commission. Once the commission's budget has been adopted by the Council, any changes in the adopted appropriations not previously approved by the Council must be ratified in advance by the Council.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 97-677B, Sec. 3; Ordinance No. 01-888B, Sec. 1; Ordinance No. 02-975, Sec. 1; Ordinance No. 07-1164A, Sec. 5.)

6.01.060 Commission Meetings

All meetings of the commission shall be conducted as public meetings as required by Oregon law, except where executive sessions are permitted by law. The commission shall provide adequate notice of its meetings as required by law. All Metro elected officials shall receive notice of all meetings in the same form, manner and substance given to all commission members.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 97-677B, Sec. 3; Ordinance No. 01-888B, Sec. 1.)

6.01.070 Delegation

The commission may delegate to its employees any of the power and authority of the commission subject to those limitations the commission deems appropriate. Any delegation shall be by resolution of the commission.

(Ordinance No. 87-225, Sec. 1.)

6.01.080 Filing and Effective Date of Commission Resolutions

(a) Within five (5) days after the passage of any resolution, the commission shall file a copy of the resolution with the Council Clerk, or such other officer as the Council may designate, who shall maintain a special record of the commission's resolutions which shall be accessible to the public under like terms as the ordinances of Metro. The Council Clerk or such other officer as the Council may designate shall immediately notify the Council of the receipt of the resolution.

(b) Resolutions of the commission shall be effective upon adoption or at such other time as specified by the commission.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 97-677B, Sec. 3; Ordinance No. 02-975, Sec. 1.)

6.01.100 Commission Business Plans

(a) The commission shall prepare business plans for each of its facilities and shall update those plans as needed. The commission shall provide all Metro elected officials with copies of its business plans.

(b) The commission regularly shall report to the Council. Such reports shall occur as directed by the Council, but in no event less than quarterly.

(c) The commission shall, on an annual basis, set goals and benchmarks for the performance of the buildings, facilities and services managed by the commission. Such goals and benchmarks shall be discussed in public meetings with reasonable opportunity for public input and shall be adopted by duly adopted resolutions of the commission. Copies of proposed goals and benchmarks shall be provided to all Metro elected officials no later than ten (10) working days prior to formal adoption by the commission. The commission shall include in its quarterly reports to the Council progress reports on the commission's progress towards meeting its adopted goals and benchmarks.

(Ordinance No. 87-225, Sec. 1. Amended by Ordinance No. 97-677B, Sec. 3; Ordinance No. 01-888B, Sec. 1; Ordinance No. 02-975, Sec. 1.)



Communication

Synergy

Leadership

METROPOLITAN EXPOSITION RECREATION COMMISSION

STRATEGIC BUSINESS PLAN

2007—2012

Excellence

Expertise

STRATEGIC BUSINESS PLAN

2007–2012

Acknowledgements

METROPOLITAN EXPOSITION RECREATION COMMISSION (MERC)

- George Forbes, Chair
- Don Trotter, Vice Chair
- Janice Marquis, Secretary-Treasurer
- Gale Castillo
- Gary Conkling
- Ray Leary
- Gary Reynolds

STRATEGIC PLANNING TEAM

- Kathy Taylor, CFO, Interim MERC General Manager
- Julie Reed, Project Director, MERC Public Affairs Manager
- Rachel Bertoni, MERC Human Resources Manager
- Penny Knouf, MERC Administrative Assistant
- Chris Bailey, Executive Director, Portland Expo Center
- Jeffrey Blosser, Executive Director, Oregon Convention Center
- Robyn Williams, Executive Director, Portland Center for the Performing Arts
- Dan Cooper, Metro Attorney
- Nathan Sykes, Senior Attorney, Metro

CONTRIBUTORS

- MERC employees
- Venue Advisory Committees for Portland Expo Center, Oregon Convention Center, and Portland Center for the Performing Arts
- Jeff Miller, former MERC General Manager
- Sheryl Manning, former MERC Commissioner
- Project Consultants—Elaine Cogan, Steve Faust, Cogan Owens Cogan; Cate Millar, Michael Lindberg, Fleishman Hillard

We are grateful to the many individuals and organizations in our community that contributed ideas to help shape this plan and guide the future of MERC.

ABOUT METRO

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines.

Citizens generally agree that a regional approach makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro programs and planning tools help protect our air, water, parks, natural areas and fish and wildlife habitat. Metro also oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and through MERC, the Oregon Convention Center, Portland Expo Center, and Portland Center for the Performing Arts, which benefit the region's economy and promote cultural vitality.

Metro is a directly elected regional government that serves more than 1.3 million residents in Clackamas, Multnomah and Washington counties and the 25 cities in the Portland, Oregon metropolitan area.

Metro is governed by a Council President elected region-wide and six Councilors elected by district. Metro's Auditor is elected region-wide.

Metro Council

Council President David Bragdon
Deputy Council President Rod Park
Councilor Rex Burkholder
Councilor Kathryn Harrington
Councilor Carl Hosticka
Councilor Robert Liberty
Councilor Brian Newman

Metro Auditor

Suzanne Flynn

For more information, visit www.metro-region.org.

Table of Contents

EXECUTIVE SUMMARY	1
INTRODUCTION	3
VISION & MISSION	7
VALUES	8
GOALS	9
STRATEGIES & MEASURES	10
APPENDIX	A1

Executive Summary

This 2007-2012 Strategic Business Plan is an innovative blueprint for the Metropolitan Exposition and Recreation Commission's continued growth as a premiere public venue management agency. It represents a unified vision that at the same time recognizes the unique qualities of each MERC venue—the Oregon Convention Center, Portland Center for the Performing Arts, and the Portland Expo Center.

We have made great progress following the roadmap of the previous Strategic Business Plan, even during the difficult economic climate in 2000-2003. The Oregon Convention Center completed its expansion on time and within budget, increased revenues and achieved LEED® designation. Portland Center for the Performing Arts strengthened its financial structure and made substantial capital improvements to its facilities. Portland Expo Center continues to cover its operating costs and debt service without public support.

MERC plays an important role in shaping the vision, dialogue, and planning that address the needs for public assembly venue development and management in this community. Securing a convention headquarters hotel is essential for Portland to remain competitive as a national meeting destination and for the Oregon Convention Center to fully deliver its economic promise to the region. Sustainable funding is necessary to maintain and preserve existing infrastructure and to develop new facilities that will meet our region's needs for quality

performance arts, public event and entertainment venues. Responsible maintenance and investment in public infrastructure will help keep Portland a vibrant region, promote tourism, and support a healthy economy.

Throughout the process to create this plan, the agency engaged its commissioners, employees and management and reached out to involve many business and civic leaders and customers. Select employees participated in a full-day workshop and all employees were asked to complete a questionnaire. A separate questionnaire was distributed to customers. Interviews were conducted with community stakeholders, including business and political leaders. Finally, meetings were held with advisory and stakeholder groups from each venue.


Several themes that emerged through the planning process are paramount in this strategic business plan and will influence our work in the future:

- ✧ **Leadership and Expertise** - Administrators of MERC venues are experts in facility management and recognized by their peers as leaders in their field. Each venue takes pride in creating a positive customer experience. Commissioners bring business and industry expertise and experience.
- ✧ **Organizational Synergy** - We are dedicated to bringing together the expertise of staff in various venues to work towards the good of the whole organization.
- ✧ **Technology** - We will obtain and integrate emerging technologies essential to our internal efficiency and customer responsiveness.
- ✧ **Communication with Stakeholders** - It is vital that MERC build greater awareness of the benefit

its venues provide to the region's economy and livability.

 **Capital Renovation and Development** - We

will focus our efforts on the development of a convention headquarters hotel near Oregon Convention Center, replacing obsolete exhibit halls at Portland Expo Center, and renovate our performance halls.

 **Marketing and Sales** - We will seek to retain existing customers and attract new ones through innovative marketing and sales strategies.

 **Effective Workforce and Development**

Management Practices - We will engage our workforce as business partners and invest in their development to achieve performance excellence.

 **Sustainable, Diversified Funding Structure** - Long-term financial stability is crucial to preserving the integrity and growth of MERC and its venues.

This plan is intended to set the stage for the next 20 years, while encompassing strategic goals, strategies and implementation actions for the years 2007-2012. Shared values are a new element of the plan, which were developed as a direct result of employee involvement in the planning process. The following values reflect our aspirations for a common MERC culture:

 **Respect**

 **Excellence**

 **Teamwork**

 **Innovation**

 **Community**

Five over-arching goals serve as the framework of this plan:

- 1.** Maximize the positive impact of MERC venues on the economy and livability of the region.
- 2.** Exert leadership to ensure construction of a convention headquarters hotel at the Oregon Convention Center.
- 3.** Expertly manage world class public assembly venues.
- 4.** Effectively communicate MERC's role and value.
- 5.** Engage employees in creating an exceptional workplace.

Each goal is followed by relevant strategies and measurable outcomes. The latter will help us chart our progress and make changes to increase our effectiveness. An Implementation Plan companion piece to this Strategic Business Plan contains actions to ensure that the plan is a living document that guides MERC's future decisions and activities.

Introduction

This 2007-2012 Strategic Business Plan is ambitious in its vision, yet grounded in practical strategies and actions. The plan will serve as a guiding framework during the next five-year business cycle to promote livability and cultural vitality for the region through leadership, excellent service, expert management and accountable stewardship of the region's landmark public assembly venues.

We have made great progress following the roadmap of the previous Strategic Business Plan. The Oregon Convention Center (OCC) completed a \$116 million expansion on time and budget, increased its enterprise revenues at a steady pace, and achieved LEED® designation in 2003. The Portland Center for the Performing Arts (PCPA) has been a cultural nexus for the region, strengthened its financial structure and made substantial renovations and infrastructure improvements to enhance the customer experience. The Portland Expo Center (Expo) is the region's hub for consumer shows and events. Through effective marketing and management, it covers its operating costs and debt service without any public funding support. Collectively, MERC venues serve over two million visitors every year at more than 1,000 performances and events.

The next five years hold many opportunities and certain challenges. Portland needs a convention headquarters hotel to fully realize the economic benefits from the expanded Oregon Convention Center and keep Portland viable as a preferred convention destination. MERC has an important role to play in shaping the vision, dialogue, and planning to address the future needs of public assembly venues development and management in this community. It is essential to secure sustainable funding

to maintain and preserve public venue infrastructure and develop new facilities to meet our region's needs for quality performance, consumer trade, public event and entertainment venues. This will help keep Portland a vibrant region, promote tourism, and support a healthy economy.

The plan is a unified vision that harnesses the ideas and expertise we gathered through an extensive stakeholder engagement process with employees, community and business leaders, and industry partners. At the same time, it recognizes the unique qualities and needs of each MERC venue. By strengthening relationships, building coalitions, employing creativity and innovation, wisely managing resources, and harnessing the talent and power of our workforce, we will create workable solutions to regional challenges and make the most of the opportunities ahead.

Governance

The Metropolitan Exposition Recreation Commission is an enterprise-driven public venue management agency charged with managing regional trade, convention and entertainment facilities in an effective, independent, entrepreneurial and accountable manner.

MERC is a subsidiary of the Metro regional government. MERC is governed by a seven-member citizen commission whose members are appointed by the Metro Council president and approved by the Metro Council. Commission members serve as representatives of the city of Portland and Washington, Clackamas and Multnomah counties. The commission appoints the MERC general manager, who is accountable to the commission for leadership and management of the agency.

MERC manages the Oregon Convention Center, the Portland Center for the Performing Arts and the Portland Metropolitan Exposition Center. MERC is supported primarily through its own operations and tax subsidies from the lodging and tourism industry and receives no property tax support for operations. More than 74% of MERC's funding is generated by its enterprise businesses from fees and services for facility rentals, event services, parking and food and catering operations. The remainder is from lodging industry taxes, government contributions and investments.

Business Climate

The last two years have been marked by strong business growth as the meeting, hospitality, consumer trade and entertainment industries recovered from the nation's recession of 2000-03. Just as we were poised to open and market the expanded Oregon Convention Center, MERC and many other tourism and related facilities across the country were confronted with the recession and a subsequent downturn in revenues. Since then, OCC and PCPA have experienced major revenue increases while the consumer show business at Expo is experiencing more modest growth.

Planning Process

This plan evolved over time to encompass new and innovative ideas as well as reinforce practices that have proved successful and should be continued and enhanced. It was developed with extensive participation from our employees and stakeholders.

The process was inaugurated with MERC Day, a full-day workshop attended by key employees from throughout the agency that expressed enthusiasm for

the opportunity to share ideas with others in the organization. Many productive suggestions from this workshop became the first stepping stones of the plan. In addition, all employees were asked to complete a questionnaire, and a separate questionnaire was distributed to our customers.

In further outreach, our consultants interviewed business and political leaders in the community, including MERC commissioners and Metro council members and staff. Meetings also were held with advisory or stakeholder groups for each venue and with key venue managers and administrators and the MERC management team. The thoughtful remarks and suggestions that we received were considered as the plan developed.

Strategic Business Priorities

This forward-thinking framework for the future was undertaken with extensive dialogue and conversations with many key stakeholders regarding the future direction of this agency, its priorities, and how best to marshal its resources and community goodwill to meet the opportunities and challenges ahead. From these discussions emerged top priorities and findings around which this business plan is focused.

Leadership and Expertise. Administrators of MERC venues are recognized by their peers as leaders in their field. They hold office in national organizations and are frequently sought out for advice and counsel. They serve on community boards and committees dedicated to the enhancement of the region's vitality and livability for

its citizens and visitors. Through Metro, MERC is a key player in the drive to secure a headquarters hotel close to the Oregon Convention Center. We will continue to expertly manage our venues to create the ultimate customer experience.

Organizational Synergy. In recognition that the whole is greater than the sum of its parts, MERC is dedicated to bringing together the expertise of staff in all its venues to take advantage of organizational efficiencies. This allows MERC to coordinate its energy toward the good of the whole organization.

Technology. We will stay abreast of innovations that positively influence our operational and business effectiveness. Emerging technologies allow us to be more responsive to the needs of our customers and attendees and do our work more efficiently. We will commit resources to obtain and integrate new technology and train our employees to ensure its maximum utilization.

Communication with Stakeholders. It is vital that MERC build greater awareness among stakeholders and the public about the value and benefits of conventions, tradeshow and performance arts on the economy and livability of the region. Educating the public about the necessity of subsidizing these public venues as a critical component of the quality of life in this community is an ongoing responsibility.

Capital Renovation and Development. This will continue to be a priority. MERC doubled the capacity of the Oregon Convention Center, a \$116 million expansion completed on time and within budget, with the full

support of the lodging industry. To fully realize the economic potential of this venue and keep Portland competitive as a convention city of choice, Portland must secure a convention headquarters hotel. Replacing the remaining obsolete exhibit halls with modern facilities at the Portland Expo Center, the largest consumer show complex on the West Coast, is essential to meeting changing client needs and demands. New performance technology and changing audience demographics challenge PCPA to renovate its facilities to meet contemporary expectations and increase the comfort of patrons and performers.

Marketing and Sales. Marketing and sales are the lifeblood of MERC as an enterprise-focused, event-driven agency. Staying competitive and retaining market share is essential. We will collaborate among our venues to reach our optimum potential to keep and attract customers and seek opportunities to generate new business for each. We will consider new and innovative marketing and branding opportunities.

Effective Workforce Development and Management Practices. Engaging our workforce as business partners and harnessing the knowledge, skills, talents, and motivation of employees is essential. We will continually invest and promote technical competency and professional development to achieve performance excellence while retaining and enhancing our reputation for industry leadership and excellent customer service.

Secure a Sustainable, Diversified Funding Structure. Long term financial stability is essential to preserving the integrity and growth of MERC and its venues. We must seek to maintain strategic fund balances to weather

economic cycles. We will pursue enterprise revenue growth and maximize return on investments. We seek to secure appropriate public investments in MERC venues, including development of a headquarters hotel.

The Plan

This strategic business plan will chart MERC's course for the next five years and beyond. It is ambitious yet practical and achievable. The plan is comprised of a vision, mission, new agency values, five over-arching goals and relevant strategies. It differs from the previous plan as it also contains measurements to chart success. A companion 18-month Implementation Plan assigns responsibilities for actions and outcomes beginning January, 2007. The program will be reviewed annually, with changes made to ensure MERC's effectiveness.

VISION

**To be the acknowledged leader in public assembly
venue management in the region.**

**To be the acknowledged leader in public assembly
venue management in the region.**

MISSION

To enhance the livability and economic vitality of the metropolitan region through sound stewardship, expert management and creative development of the region's public assembly venues.

To enhance the livability and economic vitality of the metropolitan region through sound stewardship, expert management and creative development of the region's public assembly venues.

VALUES

Respect

We embrace diversity within our workplace and our community. Employees, customers and guests are treated with care and appreciation. We promote an atmosphere of equality and personal integrity and seek to understand the perspective of others. We strive for a culture supported by honesty and trust.

Above all, we demonstrate respect for each other.

Excellence

We aspire to achieve exceptional results and do not compromise quality. We practice continuous improvement and reflect on how we can improve in the future. We face problems head on and focus on finding the best solutions. Our goal is to meet or exceed the expectations of our customers. We promote employee development and encourage them to be their best.

Teamwork

Teamwork forms the essence of our work environment. Through collaboration and commitment to common goals, we achieve greater outcomes. We value positive relationships and nurture them with cooperation and honest communication. Individually, we contribute to the greater whole by being dependable and accountable for our actions. We have fun and enjoy one another!

Innovation

We understand the importance of taking appropriate risks and learning from our successes and setbacks. We encourage flexibility and embrace creativity and new ideas. We respond mindfully when challenges come our way and address obstacles with ingenuity. We are adaptable and strategic in the face of change. We serve our customers better as a result of anticipating and solving problems.

Community

MERC plays an important role in the economic and cultural vitality of the region. We build strong relationships, alliances and partnerships in the community to better serve our citizens and visitors. We generously share our expertise and wisdom to promote community enhancement and development. We strive to make a positive difference through leadership and by taking action.

GOALS

STRATEGIC BUSINESS GOALS



1.

Maximize the positive impact of MERC venues on the economy and livability of the region.

2.

Exert leadership to ensure construction of a convention headquarters hotel at the Oregon Convention Center.

3.

Expertly manage world class public assembly venues.

4.

Effectively communicate MERC's role and value.

5.

Engage employees in creating an exceptional workplace.

Strategies and Measures

GOAL 1

MAXIMIZE THE POSITIVE IMPACT OF
MERC VENUES ON THE ECONOMY AND LIVABILITY OF THE REGION.

STRATEGIES	MEASURES
1. Provide leadership and expertise to guide public assembly venue development and management.	<ul style="list-style-type: none"> • Develop advocacy plan • Create Board development plan • Leadership in regional venue planning and decision-making
2. Strengthen relationships and build alliances with community and business partners.	<ul style="list-style-type: none"> • Leadership on boards and committees • Partnerships with hospitality, cultural and tourism industry organizations • MERC's expertise is recognized and valued
3. Promote opportunities for small, minority, women-owned and emerging businesses to provide services and products to MERC.	<ul style="list-style-type: none"> • Purchasing benchmarks • Contracts with businesses

GOAL 2

EXERT LEADERSHIP TO ENSURE CONSTRUCTION OF A
CONVENTION HEADQUARTERS HOTEL AT THE OREGON CONVENTION CENTER.

STRATEGIES	MEASURES
1. Transfer ownership of the headquarters hotel project from Portland Development Commission to Metro/MERC.	<ul style="list-style-type: none"> • Metro accepts the developer chosen by the PDC selection committee • Predevelopment agreements in place
2. Develop a financing plan and secure funding for construction of a publicly owned convention hotel.	<ul style="list-style-type: none"> • Financing plan approved • Construction bonds issued
3. Determine the organizational structure to manage and operate the hotel.	<ul style="list-style-type: none"> • Management structure and entity selected
4. Build and open a first class convention headquarters hotel.	<ul style="list-style-type: none"> • Convention quality hotel built on time and within budget
5. Advocate for implementation of OCC Blocks Vision Plan	<ul style="list-style-type: none"> • City approval of OCC Blocks Vision Plan

GOAL 3

EXPERTLY MANAGE WORLD CLASS PUBLIC ASSEMBLY VENUES.

STRATEGIES	MEASURES
1. Deliver an exceptional customer experience for customers and attendees.	<ul style="list-style-type: none"> • Percentage of repeat clients • Customer service surveys • Industry awards
2. Effectively market and sell MERC venues and services.	<ul style="list-style-type: none"> • Number of new clients and events • Increased lead/conversion rate • Collaborative marketing approaches • Strong national marketing results • Increased net revenue
3. Upgrade and maintain existing facilities.	<ul style="list-style-type: none"> • State-of-the-art venues • Venues meet or exceed customer requirements
4. Optimize operational efficiencies and effectiveness.	<ul style="list-style-type: none"> • Increased profitability per event • Improved procurement processes • Cross-venue efficiencies implemented • EBMS optimization • Technology plan developed
5. Attain and maintain sustainable, diversified funding.	<ul style="list-style-type: none"> • Strategic fund balance maintained • Innovative programs and projects funded
6. Incorporate sustainable practices into all aspects of the organization.	<ul style="list-style-type: none"> • LEED® certification where appropriate • Green purchasing results • Recycling recovery rates
7. Prepare to respond to disasters, crises and major emergencies.	<ul style="list-style-type: none"> • Develop and update disaster plans • Develop and implement crisis communications plan • Develop business continuity plan • Collaborate and train with regional disaster planning agencies

GOAL 4

EFFECTIVELY COMMUNICATE MERC'S ROLE AND VALUE.

STRATEGIES	MEASURES
1. Document the value MERC provides to the region.	<ul style="list-style-type: none"> Economic impact reports for all venues MERC annual report
2. Clarify MERC identity.	<ul style="list-style-type: none"> Brand evaluation process implemented Graphic identity goals and standards
3. Promote greater awareness about MERC's role and value.	<ul style="list-style-type: none"> Sufficient resources allocated Communication plan developed Staff and Commissioners represent MERC effectively Annual communications audit
4. Keep government, industry, business and community partners informed.	<ul style="list-style-type: none"> Focused outreach activities increased

GOAL 5

ENGAGE EMPLOYEES IN CREATING AN EXCEPTIONAL WORKPLACE.

STRATEGIES	MEASURES
1. Hire and retain a motivated workforce committed to MERC values.	<ul style="list-style-type: none"> Competitive salaries and benefits Voluntary employee turnover Consistent employee recognition system Demonstrated collaboration among workgroups and venues
2. Employees demonstrate performance excellence.	<ul style="list-style-type: none"> Annual facility evaluations Internal customer service surveys Revenue indicators per employee Performance management systems
3. Institute formal and informal training for all employees.	<ul style="list-style-type: none"> Hours of training per employee Networks to share expertise across venues and workgroups
4. Encourage open, two-way communications.	<ul style="list-style-type: none"> Roles and responsibilities defined and communicated Internal communication plan developed and implemented Program for regular employee input and feedback established Intranet for employee communications

A decorative vertical bar on the left side of the page, consisting of a thick gold bar and a thinner dark red line to its right.

APPENDIX

APPENDIX

MERC STRATEGIC BUSINESS PLAN | 2007–2012

MERC Day Agenda

April 18, 2006

Oregon Convention Center, Meeting Rooms B113-114

Session One

Meeting Room B113

Seating is assigned to promote interaction with colleagues from different venues or work functions.

8:00-8:30 Registration; continental breakfast

8:30-9:00 Greetings and overview – Jeff Miller
Logistics – Elaine Cogan

9:00-10:15 Small Group Discussions – MERC

- Introductions
- What do we value most today about MERC?
- Looking ahead five years, in the best of all worlds, what is MERC like?
- What will help and hinder us from reaching that ideal MERC?
- What steps should be taken to reach that ideal?

10:15-10:30 Break

10:30-11:00 Group Reports

Session Two

Meeting Room B114

Seating assignments are changed based on functional area (operations, sales and marketing, events and administration)

11:10-12:15 Small Group Discussions – Functional Areas

- Introductions
- What do we value most today about our functional area?
- Looking ahead five years, in the best of all worlds, how does our functional area operate?
- What will help and hinder us from reaching that ideal functional area?
- What steps should be taken now to reach that ideal?

12:15-1:25 Lunch Break & Group Reports

Return to Meeting Room B113

1:30 Adjourn

MERC STRATEGIC BUSINESS PLAN | 2007–2012

Employee Survey

Summer, 2006

The Metropolitan Exposition Recreation Commission (MERC) is updating its strategic business plan, and we are seeking our employees' help to plan our agency's future.

This employee survey provides an opportunity to share your ideas and perceptions about our agency, facility priorities during the next five years, and what is important for MERC's success.

When MERC is referenced in this survey, it means the entire venue management agency, including all the facilities and employees of the Oregon Convention Center, Portland Expo Center, Portland Center for the Performing Arts, and MERC Administration. When "your facility" is mentioned, it means the place where you work. When selecting your answer, please circle the letter that corresponds to your choice unless otherwise directed.

Thank you for making the time to share your ideas and thoughts about planning for the future. Please complete this survey by Friday, June 16 and return it to Julie Reed at MERC Administration via interoffice mail or by fax at 503-731-7870.

1. Where do you work?

- a. Oregon Convention Center
- b. Portland Expo Center
- c. Portland Center for the Performing Arts
- d. MERC Administration

2. What functional area do you work in?

- a. Administration
- b. Event Services
- c. Marketing and Sales
- d. Operations
- e. Other _____

3. How long have you been an employee of MERC?

- a. Less than 1 year
- b. 1-5 years
- c. 6-10 years
- d. 11-20 years
- e. More than 20 years

4. How is your facility doing in these areas? (1 = poor; 2 = average; 3 = good; 4 = excellent—circle a number)

a.	Administrative support	1	2	3	4
b.	Client and customer service	1	2	3	4
c.	Employee communication and engagement	1	2	3	4
d.	Equipment and technology upgrades	1	2	3	4
e.	Facility appearance and cleaning	1	2	3	4
f.	Facility maintenance and repair	1	2	3	4
g.	Fiscal management and funding	1	2	3	4
h.	Industry advocacy and leadership	1	2	3	4
i.	Marketing and sales	1	2	3	4
j.	Providing community value	1	2	3	4
k.	Public and media relations	1	2	3	4
l.	Sustainability policies and practices	1	2	3	4
m.	Training and professional development	1	2	3	4
n.	Workforce motivation	1	2	3	4

5. What does your facility do best?

6. In the next five years, what changes or accomplishments should your facility make?

7. What may get in the way of achieving these accomplishments or changes?

8. Which of these matter most to you in the workplace? (choose up to six —circle the letters corresponding to your choices)

- a. Accountability/responsibility
- b. Achievement/excellence
- c. Acknowledgment/recognition
- d. Collaboration/cooperation
- e. Compassion/empathy
- f. Creativity/innovation
- g. Diversity of ideas/values
- h. Ethical action/behavior
- i. Flexibility/adapting to change
- j. Give/receive respect
- k. Honesty/direct communication
- l. Quality/continuous improvement
- m. Results/solutions-focused
- n. Other_____

9. Are you familiar with MERC's mission statement?

- a. Yes
- b. No

10. What do you appreciate most about working for MERC?

II. How is MERC doing in these areas? (1 = poor; 2 = okay; 3 = good; 4 = excellent—circle a number)

a.	Adequate resources and funding	1	2	3	4
b.	Administrative support to facilities	1	2	3	4
c.	Capital improvements and replacement	1	2	3	4
d.	Commitment to customer service	1	2	3	4
e.	Effective fiscal management	1	2	3	4
f.	Employee communications and engagement	1	2	3	4
g.	Facility maintenance and repairs	1	2	3	4
h.	Industry expertise and leadership	1	2	3	4
i.	Marketing and sales	1	2	3	4
j.	Political advocacy and leadership	1	2	3	4
k.	Providing community value	1	2	3	4
l.	Public and media relations	1	2	3	4
m.	Strategic and business planning	1	2	3	4
n.	Sustainability policy and practices	1	2	3	4
o.	Training and career development	1	2	3	4
p.	Workforce motivation	1	2	3	4

12. Does MERC's name accurately portray our agency as a premier manager of regional facilities?

- a. Yes
- b. No
- c. Not Sure

13. Can you think of a different name or words that would describe better what MERC does?

14. Do you think there are other public facilities in the region or state that MERC should manage?

- a. Yes
- b. No

15. If yes, which ones?

16. Is there anything else we should consider as we plan for MERC's future?

Thank You!
Thank You!

MERC STRATEGIC BUSINESS PLAN | 2007–2012

Stakeholder Questionnaire

Summer, 2006

Interviewee _____ Date _____

Title/Organization _____

Experience with MERC or facilities? _____

Address _____

Phone _____ E-Mail _____ Fax _____

Interviewer _____

Our firms, Cogan Owens Cogan and Fleishman-Hillard, have been retained by MERC (The Metropolitan Exposition Recreation Commission) to help the agency update its strategic plan. An important part of our work is to interview community leaders to ask about your perceptions of MERC today and advice about MERC's future role in our community.

As you may know, MERC is a subsidiary of Metro. It is responsible for managing regional public venues, including the Oregon Convention Center, Portland Expo Center, and the Portland Center for the Performing Arts. The first two public facilities are owned by Metro while PCPA is owned by the City of Portland. MERC's seven commissioners are appointed by Metro upon recommendation by other local governments.

All your answers will be confidential. We will report the results in the aggregate, not by individual response.

1. In your experience (or opinion), what word or words best describe what MERC does?
2. How important is MERC's role in the region ? Explain.
3. Does MERC's name reflect its role in the region?
4. If not, can you think of a more appropriate name?
5. MERC is a premier manager of important regional public venues. How well do they provide leadership and expert management of these venues? Explain.

6. What opportunities and issues should MERC address in the next 3 to 5 years to maintain or enhance its role as a premier venue management agency?
7. What are MERC's strengths? Its vulnerabilities?
8. MERC earns about 75 percent of its operating funding from its business operations and receives the remaining funding from government (public) subsidy. Do you have any suggestions about additional ways they can attain a more sustainable, long-term funding structure?
9. How important is it that people understand the relationship between MERC and the venues it manages? _____
Between MERC and Metro, its governing authority? _____
Explain.
10. MERC venues are pursuing environmentally sustainable principles and business practices. How important is this to you? To others in the region? Explain.
11. (To those with experience with the facilities): Of the MERC venues with which you have had experience(s), what are the greatest opportunities and challenges for its success and growth in the next five years? How should MERC respond?
12. Should MERC/the venue do anything differently to gain or retain its competitive advantage?
13. Not specifically thinking of MERC, what types of public facilities (arts, sports, hospitality, tourism, events) will we need in the region in the next 10 to 20 years? Explain.
14. Looking at all the public assembly venues we have now in the region - and their various ownerships and managements structures - are there any advantages to consolidating or coordinating their ownership and/or management under a regional agency like MERC? **Yes** **No** Explain.
15. Is there anything else you would like to add?

MERC STRATEGIC BUSINESS PLAN | 2007–2012

Client Survey

Summer 2006

The Metropolitan Exposition Recreation Commission (MERC) is updating its strategic business plan.

We are asking help from our clients to plan for our agency's future.

MERC is responsible for managing the Oregon Convention Center (OCC), Portland Expo Center (Expo) and the Portland Center for the Performing Arts (PCPA). Our mission is to enhance the cultural and economic vitality of the Portland region through sound leadership and expert management of public event venues. MERC is governed by a seven member commission appointed by Metro, upon recommendation of local governments.

Thank you for making the time to share your ideas and thoughts about MERC's future.

1. How important is MERC's role in the region? (circle one - not important; somewhat important; important; very important)
2. MERC is a premier manager of important regional public venues. How well do they provide leadership and expert management of these venues? (circle one - poor; average; good; excellent)
3. What opportunities and issues should MERC address in the next 3 to 5 years to maintain or enhance its role as a premier venue management agency?
4. MERC earns about 75 percent of its operating funding from fee-based business operations, with the remaining funding coming from government (public) support. Do you have any suggestions about other ways MERC can diversify or strengthen its funding structure

5. How important is it that people understand the relationship between MERC and the venues it manages? (not important; somewhat important; important; very important)
6. How important is it that people understand the relationship between MERC and Metro, its governing authority? (not important; somewhat important; important; very important)
7. Does MERC's name accurately portray our agency as a premier manager of regional facilities? (yes; no; I don't know)
8. Can you think of a different name or words that would describe better what MERC does?
9. MERC venues are pursuing environmentally-sustainable principles and business practices. How important is this to you? (circle one - poor; average; good; excellent)
10. Are there any other public facilities in the region or state that MERC should manage? (yes; no; I don't know)
11. If yes, which ones
12. Which venue do you have the most experience or interaction with? (OCC; Expo; PCPA)
13. Considering the venue selected in the previous question, what are the greatest opportunities and challenges for that venue's growth and success in the next five years?
14. Is there anything else you would like to share?

MERC STRATEGIC BUSINESS PLAN | 2007–2012

Expo Center Stakeholder Meeting

AGENDA

May 17, 2006

11:30am-1:30pm

Expo Center

12:00	Welcome	Chris Bailey
12:05	MERC Strategic Business Plan Overview	Julie Reed
12:15	Group Discussion	Elaine Cogan
	<ul style="list-style-type: none">• What does the Expo Center do well?• What is your vision for the Expo in five years?<ul style="list-style-type: none">○ What is different than today?○ What is similar?• What opportunities and challenges will help or hinder the Expo from reaching that vision?• What specific steps or actions should be taken to achieve the vision?<ul style="list-style-type: none">○ In 6-12 months?○ In 1-3 years?• What role should MERC play in helping Expo succeed?	
1:30	Adjourn	

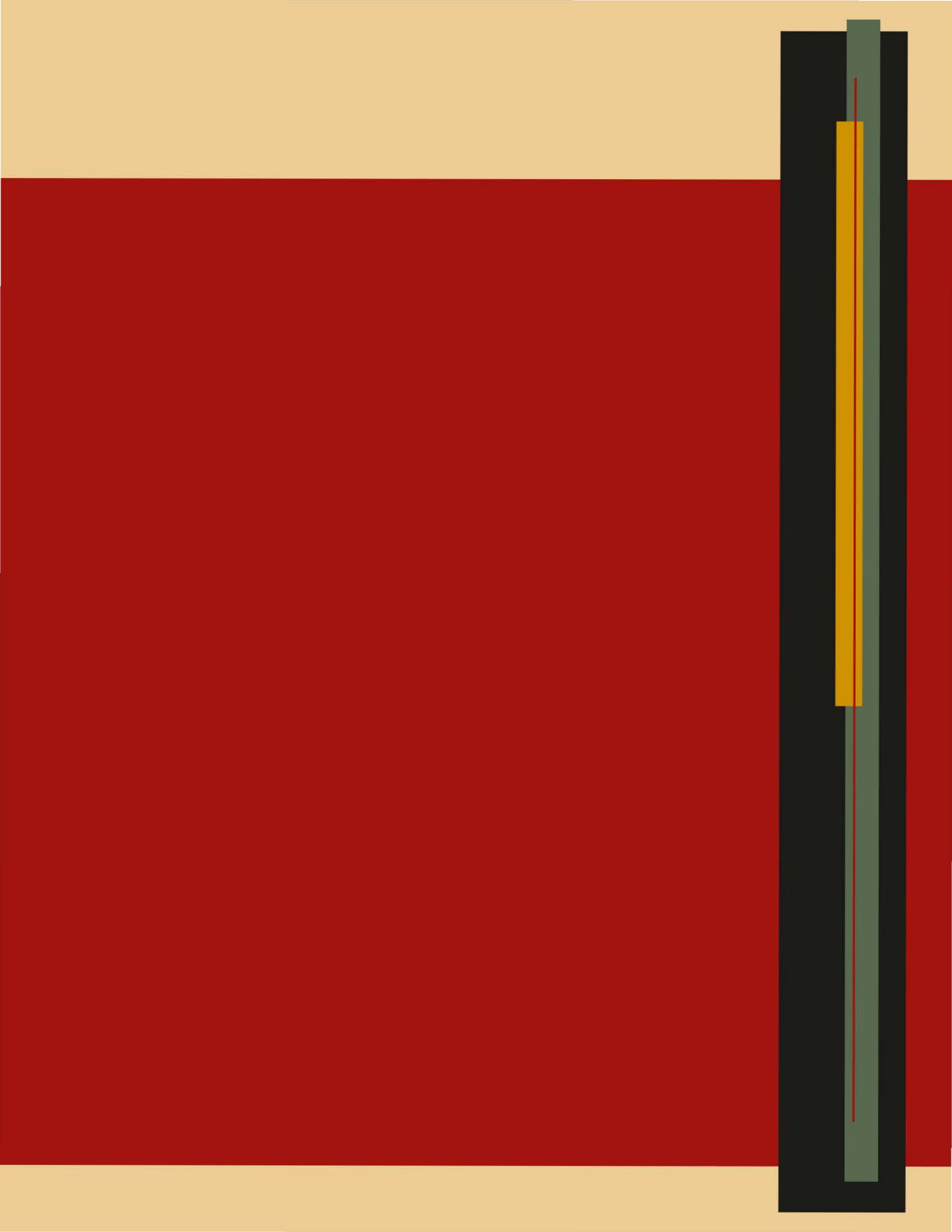
11:55	Welcome	Scott Howard
12:00	MERC Strategic Plan	Julie Reed Cate Millar Steve Faust

- 1:30 Adjourn

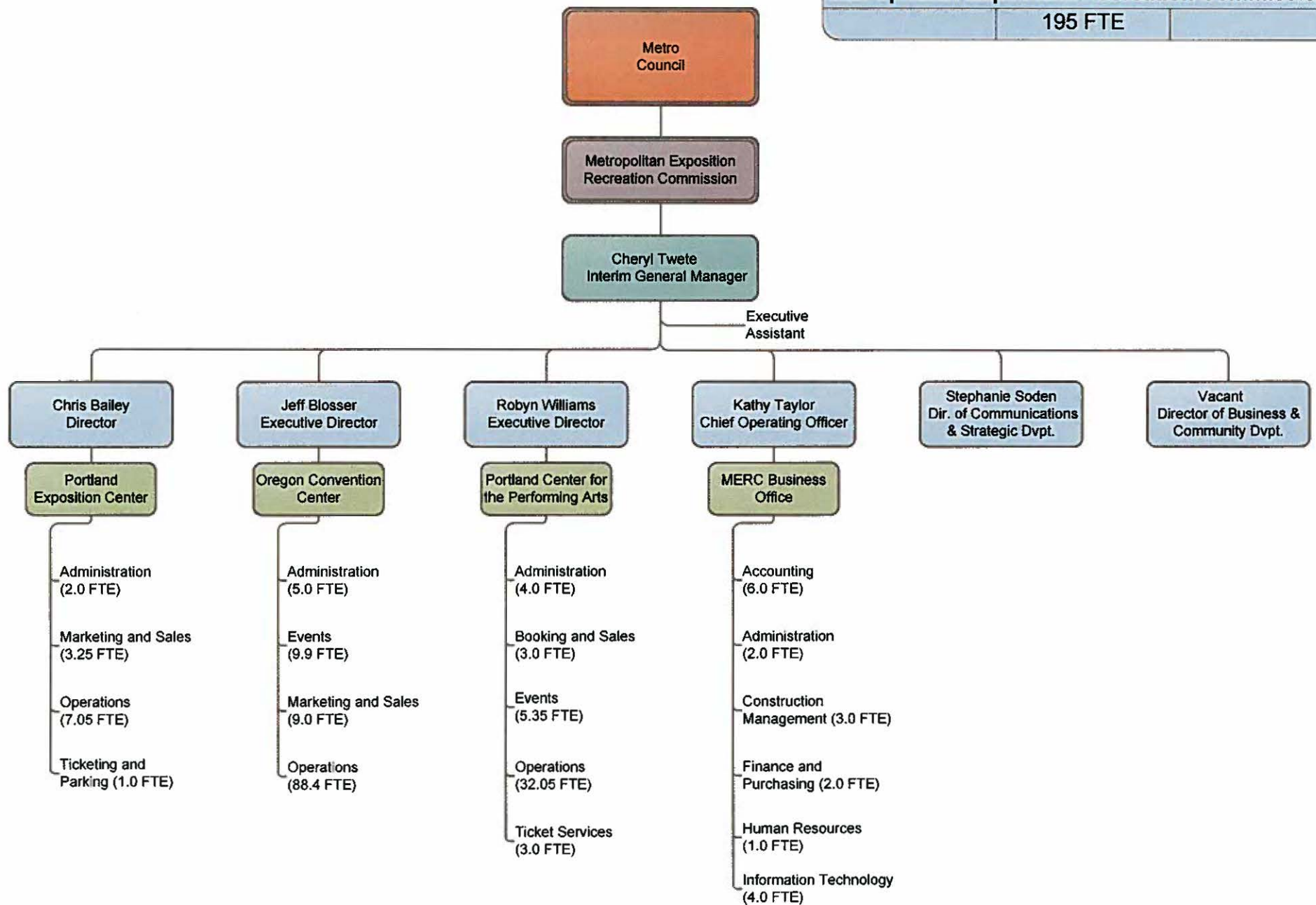
MERC STRATEGIC BUSINESS PLAN | 2007–2012

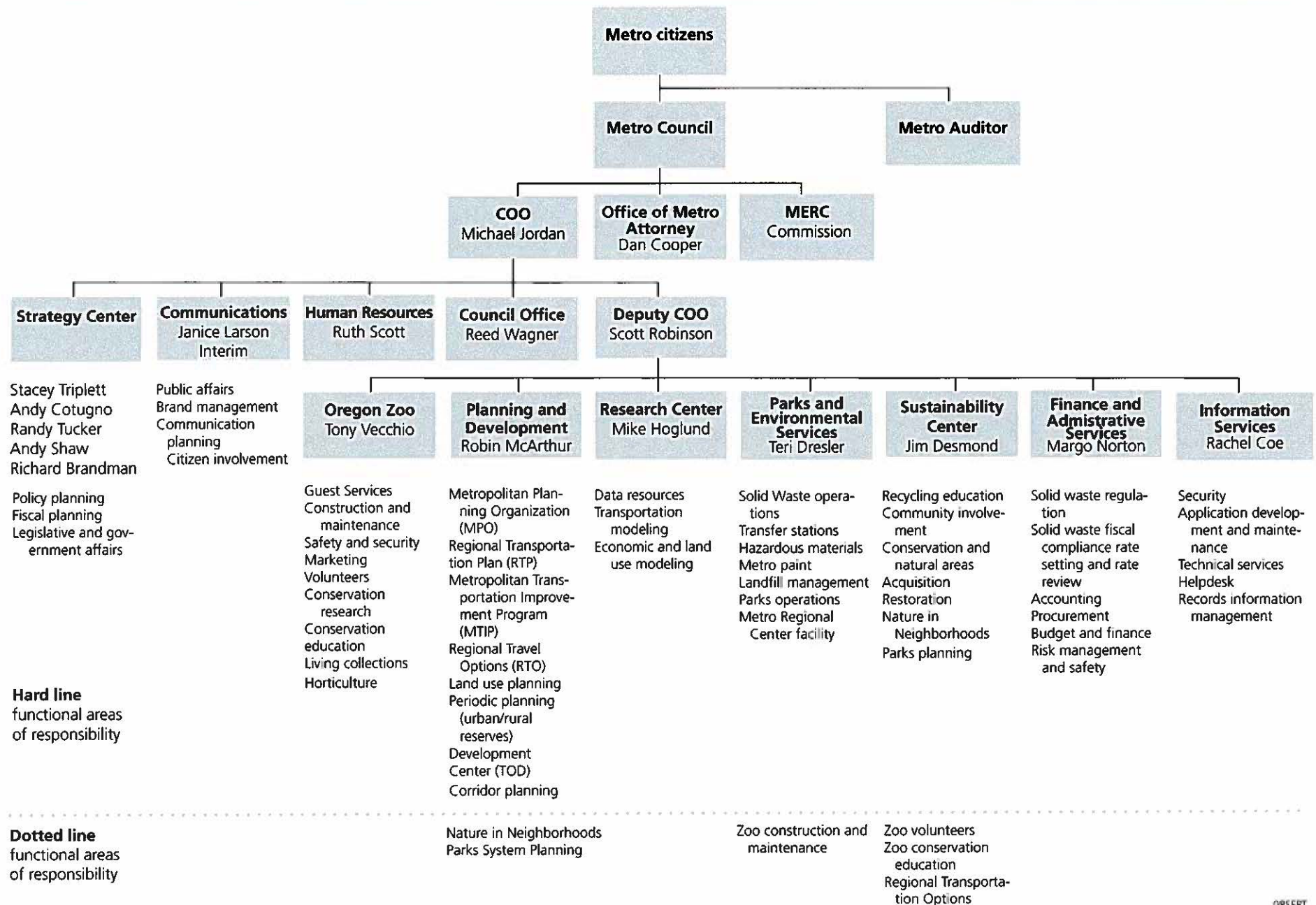
OCC ADVISORY COMMITTEE AGENDA May 9, 2006 11:30am-1:30pm King Board Room, OCC

11:30	Welcome	Jeff Blosser
12:00	MERC Strategic Business Plan Overview	Julie Reed
12:15	Group Discussion	Elaine Cogan & Cate Millar
	<ul style="list-style-type: none">• What does the Convention Center do well?• What is your vision for the OCC in five years?<ul style="list-style-type: none">○ What is different than today?○ What is similar?• What opportunities and challenges will help or hinder the OCC from reaching that vision?• What specific steps or actions should be taken to achieve the vision?<ul style="list-style-type: none">○ In 6-12 months?○ In 1-3 years?• What role should MERC play in helping OCC succeed?	
1:30	Adjourn	



Metropolitan Exposition Recreation Commission		
	195 FTE	







Metro | Memo

Date: Thursday, Aug. 6, 2009
To: Metro Council
From: Michael Jordan, Chief Operating Officer
Subject: Recommendations for Improving the Metro/MERC structure

Summary

This memorandum responds to Resolution No. 09-4065 instructing me to “explore future management of regional facilities” and to provide you with recommendations prior to August 8, 2009. I developed the recommendation following extensive meetings with MERC Commissioners, Metro Councilors and key partners and stakeholders.

After careful consideration of a range of possible alternatives, which are described below, I recommend the Metro Council pass Ordinance No. 09-1221C empowering the COO to employ, manage, and terminate the MERC General Manager. I also recommend that management functions related to MERC’s three regional facilities immediately come under the COO and that a collaborative review of Commission roles and responsibilities be undertaken beginning immediately with a goal of developing recommended changes to Title VI of the Metro Code for consideration at your regularly scheduled meeting on September 10, 2009.

Finally, I recommend that you direct me to work with MERC staff to review the management structure and operational procedures at the three regional facilities and to provide additional management recommendations to the Council no later than September 2010.

Background

During the last two decades the three MERC facilities, Civic Stadium, and the Memorial Coliseum have been owned or operated by different combinations of Metro, the City of Portland and Multnomah County. Based on a recommendation from the Committee on Convention, Trade, and Spectator Facilities (CTS), Metro established MERC in 1987 solely to manage the new Convention Center, which opened in 1990. Two years later Metro and the City of Portland consolidated ownership of Memorial Coliseum, Civic Stadium and the Portland Center for Performing Arts and management of their operations was shifted to MERC.

MERC operated these four facilities for three years. The Coliseum was transferred to the Oregon Arena Corporation in 1993 so the new Oregon Arena (now the Rose Garden) would not compete with the Coliseum. Less than a year later, ownership of the Exposition Center was transferred to Metro by Multnomah County.

In 2000, Civic Stadium (now PGE Park) was transferred back to the City of Portland to support negotiations with a private firm working to bring the Beavers baseball team to Portland, leaving MERC with its current mix of OCC, PCPA, and the Expo Center.

In addition to ownership changes, these regional facilities have been subject to multiple financial and governance changes as well. MERC's governance structure was created in 1987 as a compromise between CTS's strong operating body recommendation and the Metro Council's desire for the commission to serve in an advisory role. Several ordinances have amended Title VI of Metro Code over the years. Shifting financial arrangements — e.g. 1997's Excise Tax Fund split, 2000's Visitors Facilities Trust Account agreement, and 2004's Solid Waste Tax increase — supported these operational changes.

Metro too has undergone significant changes based on voter-approved charter amendments in 2000 that eliminated the elected Executive Officer and created the Chief Operating Officer position. In the fall of 2008, the Sustainable Metro Initiative (SMI) reorganized Metro departments by core competencies to reduce duplication and improve efficiency. The proposed recommendation is designed in concert with this goal. Aligning the operations of MERC facilities with Metro will standardize management practices and business processes and allow more efficient and effective use of talent across disciplines.

Objectives

This recommendation will help you achieve several important objectives, including:

1. Balancing entrepreneurship with improved governance

The public investment in the Oregon Convention Center, the Exposition Center, and PCPA must be leveraged in an entrepreneurial fashion so they remain current with industry trends and continue to offer world class programming attractive to residents and visitors alike. Metro Councilors are called to answer for the performance of these facilities, however, and when recent concerns surfaced surrounding the financial stewardship and performance of the previous General Manager, the Council had no authority to address public concerns. The proposed recommendation seeks to preserve the Commission's ability to interact dynamically with the private sector while also advancing good governance reforms.

2. Clarifying accountability

MERC's current nomination, appointment and confirmation process has blurred lines of accountability. The Metro Council has a fiduciary responsibility for regional facilities but no direct connection to their operations. MERC commissioners are appointed and confirmed by the Metro Council, yet five of seven commissioners are nominated by other governmental bodies. Placing MERC's operational functions within the Metro management structure will create efficiencies and ensure clear accountability for operational outcomes.

3. Streamlining administrative functions

Streamlining redundant administrative functions is an important step in controlling spending. While there needs to be strong site administration specific to each of the three regional facilities, information services, human resources, contracting and communications will benefit from improved coordination and integration.

4. Eliminating intergovernmental divisions

Metro and MERC currently pursue intergovernmental relationships separately. The separation creates operational silos and unnecessary divisions among different government entities. Improving coordination and integration of Metro and MERC government engagement work will avoid disconnected relationship building with regional partners and improve regional outcomes.

5. Improving business engagement with underrepresented constituencies

Both MERC and Metro desire to increase their commitment to MWESB/FOTA and to engage underrepresented populations in programming, hiring, and contracting. Combining efforts will increase the effectiveness and efficiency of this important work.

Alternative Recommendations

I evaluated five additional options for future management of regional facilities prior to selecting the recommendation described above. Those alternatives included:

1. Commissioning an independent study on management of regional facilities

The Metro Council would hire a consulting firm to conduct an independent study of the current organizational structure supporting the three regional facilities and to evaluate regional facility management practices. The study would involve research into performance measures and financial stewardship and be accompanied by stakeholder interviews. This process likely would take several months from inception to completion and therefore would postpone structural changes.

2. Maintaining the current structure with attention to relationships

The Metro Council and MERC would commit to more regular interaction while maintaining the existing organizational structure. Current Metro Code is designed to support a closer relationship between the two bodies through quarterly reporting and the budget design process.

3. Granting Metro COO final approval on MERC GM hiring and contract (Ordinance No. 09-1221B)

The current organizational structure is maintained, with the exception that the Metro COO has an approval vote on the MERC General Manager's initial hiring, termination, and employment contract. Neither the Metro Council nor any of its members shall direct or request the appointment of any person to, or removal from, office by the General Manager or any of the General Manager's subordinates.

4. COO oversight of all regional facility functions with MERC as an advisory board

MERC transitions to an advisory board and the COO directs all management and administrative functions. The previous General Manager position would become a Director of Regional Facilities overseeing operations and reporting directly to the COO

5. Eliminate MERC and bring facility operations internal to Metro

Under this alternative the Commission would be eliminated and the regional facilities would become a department or would be subsumed within existing Metro departments. The COO would direct all management and administrative functions and the previous General Manager position would become a Director of Regional Facilities overseeing operations and reporting directly to the COO.

Next Steps

Under the direction of Ordinance No. 09-1221C the Chief Operating Officer shall employ, manage, and terminate the General Manager. Neither the Metro Council nor any of its members shall direct or request the appointment of any person to, or removal from, office by the General Manager or any of the General Manager's subordinates. While the specific nature of that management structure will be up to the sole discretion of the COO, the Commission will continue to establish rates, approve contracts, and draft its annual budget. Further, the Commission will serve as a major stakeholder in management hiring decisions, with the COO having ultimate authority. Additional administrative streamlining will be considered and implemented by the COO.

- COO obtains authority to employ, manage, and terminate the General Manager
- COO conducts a rewrite of Title VI to consider roles and responsibilities of the MERC

While the general management functions related to the three regional facilities will immediately come under the Office of the Metro COO, four other processes should be initiated immediately and continue through the 2011-2012 budget cycle. In order to facilitate the success of this recommendation, the COO will:

1. Conduct a rewrite of Metro Code Chapter 6, for a first read on September 10th, to consider the roles and responsibilities of the MERC Commission.
2. Undertake a review of operational procedures at the three regional facilities to identify administrative efficiencies.
3. Review of the management structure moving forward. This review will be completed by September 2010, so that the FY 2011-2012 budget can reflect any potential management changes.
4. Convene regional public facilities and venues across jurisdictions and ownerships to conduct a discussion of collective goals. The process will be fully inclusive of interested stakeholders so that the review can entertain meaningful options for higher-level coordination across all like facilities. Planning for this outreach will start immediately and be completed by December 2011.

October 7, 2009

To: MERC Chair Conkling
 Commissioner Dozono
 Commissioner Erickson
 Commissioner Hammerstad
 Commissioner Haruyama
 Commissioner Leary
 Commissioner McClain

From: Cheryl Twete, Interim General Manager

Subject: VDI History Memo – Background Information for Oct 12 MERC Commission Retreat

Attached is draft document related to the Transient Lodging Tax legislative history. This draft document is background information for your reference during the October 12 MERC Commission Retreat.

Thank you.

Transient Lodging Tax Legislative History

Third Draft - June 9, 2009

Transient Lodging Taxes have been used for nearly four decades to fund a broad range of tourism and visitor related activities in our Region. A unique and highly successful partnership among governmental, business and hotel industry leaders has been pivotal in helping to implement our regional tourism and convention goals through the levying of a hotel-user tax on a county-wide basis, known as the Transient Lodging Tax (TLT). Over the years, the role of TLT has grown to include not only marketing for tourism and conventions, but direct funding for operations and construction of key visitor facilities, including Phases I and II of the Oregon Convention Center and Portland Center for the Performing Arts and PGE Park Stadium renovations.

From the beginning, elected officials viewed the TLT as a tool for generating user-paid taxes to support the growth of the industry itself, leading to job creation and economic development. There was a high degree of collaboration amongst the partners and a strategic alignment of goals and resources.

Establishing the Original Transit Lodging Tax

In the 1971 general election, the City of Portland adopted the original transit lodging tax within the region. It was a five percent (5%) transit lodging tax (TLT) for the purpose of supporting tourism and marketing activities. Of the 5%, 1% was provided to Greater Portland Visitors Association (which later evolved into Portland Oregon Visitors Association - POVA) and 4% was directed to the City (Portland City Code Ch. 6.04).

Amendments to the Transit Lodging Tax

Because Multnomah County operates under a Home Rule Charter, the County has the authority to adopt certain new taxes without a vote of the public.

In 1972, an early partnership of Multnomah County, City of Portland and other Multnomah County cities developed regarding shared regional tourism and convention goals and resulted in the expansion of the transit lodging tax from City of Portland boundaries to the rest of Multnomah County. The City of Portland maintained its TLT and Multnomah County (on behalf of other Multnomah County cities) adopted a similar 5% TLT as part of a broader tourism and convention strategy for the Region.

In 1978, the TLT was increased from 5% to 6% by vote of the public in the City and the County, with 1% dedicated to promote regional tourism through POVA and 5% directed to the cities/County, with the County receiving TLT collected outside of city limits (MCO 56 – June 6-29-72).

Convention, Trade and Spectator Facilities Committee

In the 1980's, regional leaders convened a Convention, Trade and Spectator Facilities Committee (CTS), co-chaired by Robert Ames and Robert Ridgley, to develop a plan to build and operate a convention center in order to expand the local tourism and convention industry. The CTS was comprised of business and community leaders and officials from the City, Multnomah, Washington and Clackamas Counties. The CTS Committee recognized that because the State was experiencing sluggish recovery from the recession of the early 1980's, a focus on economic development remained a high priority for the region. A state-of-the-art new convention facility was anticipated to draw significant new spending by convention, corporate and vacation travelers into the local economy. (See Attachment A for a list of the CTS Members.)

The CTS Committee's work continued for several years until a feasible financing strategy was developed, along with strong local leadership and consensus on a site for the proposed Oregon Convention Center (OCC). The financing plan for construction of the \$90 million facility included: \$65 million of Metro-issued bonds, \$5 million local improvement district (LID) funds, \$15 million State Lottery proceeds, land donations from the Lloyd Corporation and \$5 million from interest earnings on the bond proceeds. The CTS process was typical of public/private partnerships in our community and the elected leadership, in particular, exhibited unprecedented levels of cooperation in terms of shared public priorities and shared resources.

Regional Leaders also recognized the need for a future headquarter hotel as part of a convention center complex of facilities to increase the tourism and hospitality industries in the Region and the State, although the headquarter hotel was not part of the Phase I project. The headquarter hotel was, however, the number one goal of the Oregon Convention Center Urban Renewal Plan adopted in 1989.

Creation of the Excise Tax Fund

As part of the OCC financing strategy, the CTS also looked for a tool to support and fund operations of the OCC. Multnomah County, working in partnership with the City of Portland, Metro, the Region and the hotel industry, established an additional component of the TLT, known as the Excise Tax Fund (ETF) in 1986. The TLT was increased from 6% to 9%, with the ETF receiving the 3% increase for dedicated OCC operational funding and convention-specific marketing. It was known as the Convention and Trade Show Center Fund at that time. Note that the local hotel industry supported increasing the TLT for the purpose of developing the OCC in 1986.

During the same general time frame in the early 1980's, the City of Portland expanded its performing arts facilities with the opening of the PCPA in 1984. At the time PCPA opened, it did not have a dedicated, long-term source of income to offset its operating losses and it relied upon the annual budget process for operational funding.

In 1997, Multnomah County again amended the ETF ordinance to expand resources to support regional tourism and cultural tourism. In addition to OCC operations, the ETF was modified to also provide operating revenues for PCPA, POVA, RACC and a new capital reserve fund for OCC, with set dollar allocations for each organization established by code. This amendment was supported by the hospitality industry.

Creation of the Visitors Facilities Trust Account

In 2000, elected officials again were looking for ways to finance the expansion of the OCC as well as the renovation of PCPA and PGE Park. Working with the industry, they crafted an amendment to the TLT to create the Visitors Facilities Trust Account (VFTA), funded by a dedicated 2.5% TLT tax increase and a 2.5% increase in Motor Vehicle Rental Tax (VRT). With approval of the VFTA, the TLT was increased from 9% to 11.5% and the VRT was increased from 10% to 12.5%.

The VFTA was established to fund specific prioritized projects and activities, primarily to serve as a backstop for City-issued bonds for capital projects for the three visitor facilities (OCC, PGE Park and PCPA), plus additional marketing and additional reserves. Again, Multnomah County served as the taxing agent for the TLT and VRT increases. Implementation of the VFTA was through an intergovernmental agreement among the City, Multnomah County and Metro called the Visitor Development Initiative Intergovernmental Agreement (VDI IGA). The VDI IGA prioritized projects/activities into 12 Buckets, referred to as the "Bucket System". Each Bucket had a defined dollar allocation from the VFTA, including the timeframe and terms of usage. The Bucket System was designed with a cascading effect, meaning that as the higher priority buckets were released, then the VFTA funding would flow to the lower priority buckets. The VDI IGA was executed in 2001 and the original agreement remains in effect today.

The VFTA was particularly inventive as it created a credit support mechanism for the City to issue \$100 million of revenue bonds for the expansion of OCC as well as \$35 million of revenue bonds for PGE Park.

The VFTA provided an additional TLT/VRT mechanism for funding visitor and tourism facilities, leveraging the region's previous investment in these facilities into on-going economic benefit for the region.

State Tourism Commission

In 2003, the Oregon Legislature approved HB 2267 which increased the TLT by 1% for purposes of creating a dedicated funding source for the State Tourism Commission. This bill resulted in the Multnomah County TLT increasing from 11.5% to 12.5%, where it remains today.

Vehicle Rental Tax

In 1976, the County established a 10% Motor Vehicle Rental Tax (VRT). It was amended, as described under the VFTA section, in 2000 to add a 2.5% VRT dedicated for VFTA purposes. It was not increased again until May 2009 when the County increased the VRT by an additional 4.5%, raising the total VRT

from 12.5% to 17%, of which the County receives 14.5% of the proceeds. The County uses this income for general fund purposes.

Conclusion

The creative use of TLT and VRT is one of the key reasons that our Region enjoys a strong convention and tourism industry. Public partners worked together, each taking on different responsibilities and obligations to work on a broader agenda with shared priorities. The County's role as taxing jurisdiction supported other governmental partner's contributions to the facilities by reducing risks associated with issuance of City bonding and direct financial contributions for all of the facility construction and operating support, as well as being able to effectively market the destination to guests and conventions. The City also directly participated by issuing \$137.1 million of revenue bonds backed by the full faith and credit of the city (CHECK FACTS), in addition to tax increment resources. Metro issued \$65 million of debt for the original OCC project and agreed to take on the ownership and management responsibility of the facility.

The TLT financing strategy was effective, achieved local and regional convention and tourism goals and did so without burdening local jurisdiction general funds, because fundamentally, both the TLT and the VRT are visitor-paid taxes.

Attachment A (NEED TO GET ALL NAMES)

Convention, Trade and Spectator Facilities Committee Membership

City of Portland

Mayor Bud Clark

Metro

Multnomah County

Commissioner Buchannan

Washington County

Clackamas County

Business Community

Robert Ridgeley

Robert Ames