

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN) RESOLUTION NO. 19-4972
AMENDMENT TO THE VISITOR FACILITIES)
INTERGOVERNMENTAL AGREEMENT) Introduced by Chief Operating Officer Martha
Bennett in concurrence with Council
President Lynn Peterson

WHEREAS, Metro owns and/or operates the Oregon Convention Center, the Portland Exposition Center and the Portland's Centers for the Arts with the expertise and oversight of the Metropolitan Exposition and Recreation Commission; and

WHEREAS, on January 31, 2001, Metro, City of Portland and Multnomah County entered into the Visitor Facilities Intergovernmental Agreement ("VF IGA") to support regional tourism and spectator facilities, the visitor and hospitality industry and to maximize the economic development benefits associated with visitor facilities, programs and services; and

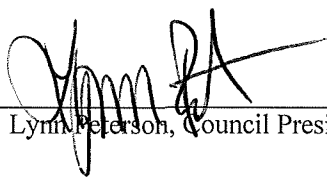
WHEREAS, the VF IGA was subsequently amended in October 2013 (the "Amended and Restated VF IGA"); and

WHEREAS, over the past year Metro, City and County staff have been working, in partnership with representatives of the tourism industry, on a thorough set of revisions to the Amended and Restated VF IGA, although an agreement on such comprehensive revisions has not yet been reached; and

WHEREAS, an immediate need to replace the acoustical shell at the Arlene Schnitzer Concert Hall has arisen and the parties desire to amend the Amended and Restated VF IGA for the limited purpose of providing necessary project funding; now therefore


BE IT RESOLVED that the Metro Council hereby approves and authorizes the Metro Council President to execute the First Amendment to the Amended and Restated Visitor Facilities Intergovernmental Agreement, attached hereto as Exhibit A.

ADOPTED by the Metro Council this 14th day of March, 2019.



Lynn Peterson, Council President

Approved as to Form:



Nathan A. S. Sykes, Acting Metro Attorney

FIRST AMENDMENT TO THE AMENDED AND RESTATED VISITOR FACILITIES
INTERGOVERNMENTAL AGREEMENT

This first amendment to the Amended and Restated Visitor Facilities Intergovernmental Agreement, dated October 25, 2013 (the "2013 VF IGA"), is made and entered by and among METRO, the CITY OF PORTLAND, and MULTNOMAH COUNTY, by and through their duly authorized representatives.

The Parties agree as follows:

1. Section 3.3.10, PCPA Operations Support, is amended to add a new sub section 3.3.10.1 as follows:

"3.3.10.1 If by June 1, 2019, Metro presents the VFTA Administrator with a written request stating the time for and recipient of payment, accompanied by documentation, such as an executed construction contract, showing that work has commenced on the acoustical shell replacement project at the Arlene Schnitzer Concert Hall, then Two Million Dollars (\$2,000,000) will be added to the disbursement amount for PCPA Operations Support in FY 2018-19 and the VFTA Administrator is authorized to disburse such support to Metro as per their written request. The Parties agree this is a one-time disbursement for FY 2018-19 only."

2. All other terms and conditions remain unchanged and in full force and effect.

Dated this ___ day of _____, 2019

METRO: Approved as to Form:

Lynn Peterson, Metro Council President

Nathan Sykes, Acting Metro Attorney

CITY OF PORTLAND: Approved as to Form:

Ted Wheeler, City of Portland Mayor

Tracy Reeve, City Attorney

MULTNOMAH COUNTY Approved as to Form:

Deborah Kafoury, Multnomah County Chair

Jenny Madkour, County Counsel



Visitor Facilities Intergovernmental Agreement Letter of Agreement – December 20, 2018

The City of Portland, Multnomah County, Metro and Travel Portland, representing the travel and tourism industry, have been working in collaboration to amend the 2013 Amended and Restated Visitor Facilities Intergovernmental Agreement (VF IGA). Significant progress has been made in this effort but an agreement on comprehensive changes to the VF IGA, which were outlined in a Letter of Agreement dated May 11, 2018, will not be completed prior to December 31, 2018.

The Mayor, the Chair and the Metro President have been informed by City and Metro staff of an opportunity to secure a commitment of \$3 million in private funds to replace the obsolete acoustical shell at the Arlene Schnitzer Concert Hall if an additional \$2 million in public money is committed before December 31, 2018, and have agreed to take steps necessary to secure these private funds for this project. This project will improve the acoustics for all performers at the Schnitzer and will assure the Schnitzer remains a vital and competitive venue for a wide range of performing arts and cultural events, including as the home performance hall for the Oregon Symphony.

Through this Letter of Agreement, the parties to the VF IGA desire to memorialize their commitment to complete a limited amendment to the VF IGA in substantially the same form as shown in Attachment A such that a one-time allocation to the Portland's Centers for the Arts will be made no later than June 30, 2019. The parties acknowledge that Attachment A does not limit or restrict additional changes to the VF IGA as part of ongoing discussions.

Portland's Mayor, Multnomah County's Chair, and Metro's Council President, through their signatures below, hereby agree to work cooperatively on completion of a limited amendment to the VF IGA, including formal approval processes, no later than May 17, 2019, through which \$2 million in public funds from the VFTA will be committed and paid by June 30, 2019.

[Signature page follows]

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METRO:

Approved as to Form:

Lynn Peterson, Metro Council President

Nathan Sykes, Acting Metro Attorney

CITY OF PORTLAND

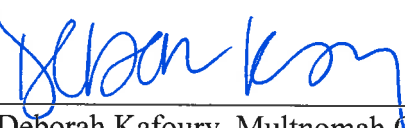
Approved as to Form:



Ted Wheeler, City of Portland Mayor

Tracy Reeve, City Attorney

MULTNOMAH COUNTY



Deborah Kafoury, Multnomah County Chair

Jenny Madkour, County Counsel

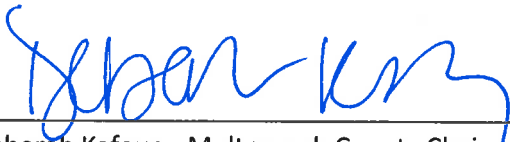
Letter of Agreement
Amended and Restated Visitor Facilities Intergovernmental Agreement
December 20, 2018

Metro



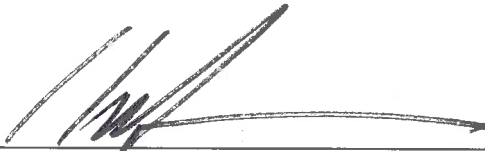
Tom Hughes, Metro Council President

Multnomah County



Deborah Kafoury, Multnomah County Chair

City of Portland, Oregon



Ted Wheeler, Mayor

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 19-4972, FOR THE PURPOSE OF APPROVING AN AMENDMENT TO THE VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT

Date: March 5, 2019
Department: Government Affairs and
Policy Development
Meeting Date: March 14, 2019

Prepared by: Andy Shaw,
andy.shaw@oregonmetro.gov
Presenters: Andy Shaw, Metro
Length: 15 min

ISSUE STATEMENT

In 2001, the City of Portland, Multnomah County and Metro partnered with the tourism industry to establish the Visitor Facilities Trust Account (VFTA) through a Visitor Facilities Intergovernmental Agreement (VF IGA). Top priorities for investment by the VFTA have included capital improvement bonds for the expansion of the Oregon Convention Center (OCC) and improvements at Portland's Centers for the Arts (P's) facilities, as well as annual operating support for OCC and P's. The VF IGA was amended in 2013 to establish additional priorities, including supporting transient lodging tax-backed revenue bonds to fund the public contribution toward the construction of the Hyatt Regency Portland at the Oregon Convention Center Hotel.

Through a Letter of Agreement (LOA) dated December 21, 2018 (Exhibit B), the Metro Council President, City of Portland Mayor, and Multnomah County Chair agreed to complete a limited amendment to the 2013 VF IGA to create a one-time \$2,000,000 allocation to the Portland's Centers for the Arts (P's) for the acoustical shell replacement project. Through the LOA, this commitment of a public contribution to the project prior to December 31, 2018, enabled P's to secure an additional \$3,000,000 in private contributions for the project.

ACTION REQUESTED

Resolution 19-4972 authorizes the Metro Chief Operating Officer (COO) to approve an amendment (Exhibit A) to the Visitor Facilities IGA to allow a one-time allocation of \$2 million to help fund the acoustical shell replacement project at the Arlene Schnitzer Concert Hall. This allocation is contingent upon a construction contract being approved by June 1, 2019.

IDENTIFIED POLICY OUTCOMES

Authorizes a one-time allocation of \$2 million to the Portland's Centers for the Arts to help fund the replacement of the obsolete acoustical shell in the Arlene Schnitzer Concert Hall, which secures a \$3million commitment of private funds.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of the resolution.

STRATEGIC CONTEXT & FRAMING

Known Opposition: There is no known opposition.

Legal Antecedents: Section 6 of Metro's Charter provides authority to acquire, develop, operate, and maintain public cultural, trade, convention, exhibition, sports, entertainment, and spectator facilities.

The City of Portland, Multnomah County, and Metro entered into the VF IGA on January 31, 2001 and the "Amended and Restated Visitor Facilities Intergovernmental Agreement" (2013 VF IGA) on October 25, 2013.

Anticipated Effects: (see Identified Policy Outcomes, above)

Financial Implications: Allocates \$2 million from the VFTA. In fiscal year 2018, the Trust Account had a Restricted Reserve fund balance of \$10 million and a Bond Redemption Reserve balance of \$11.7 million.

BACKGROUND

Funded through a combination of a 2.5 percent vehicle rental tax and a 2.5 percent transient lodging tax, the VF IGA has financed tourism facilities and programs that help attract visitors to the region and generate tourism spending in the area. Tourism spending as a share of the local economy has grown substantially since 2001. In 2017 alone, tourists spent an estimated \$5.1 billion in the region, supporting more than 35,000 tourism jobs in the region. Through the VF IGA, the three local governments have agreed to use tourism taxes to fund capital improvement bonds for the expansion of the OCC, improvements at P'5 facilities, and the early 2000's expansion of the Civic Stadium (now Providence Park). The VFTA has also funded OCC and P'5 operations, convention and tourism marketing, and convention visitor transit passes. The VF IGA also called for the creation of the Visitor Development Fund Inc. (VDFI). The VDFI Board is a public/private board comprised of elected officials from Metro, the County, and City, along with representatives from the hospitality industry. Its purpose is to direct the use of certain allocations established by the VF IGA.

In 2013, the City of Portland, Multnomah County and Metro, working in partnership with Travel Portland, amended the VF IGA to include additional priorities. The primary driver for the 2013 update was the addition of a revenue bond to finance the public contribution toward the construction of the Hyatt Regency Portland at the Oregon Convention Center Hotel. Through a public-private partnership with Mortensen Development and Hyatt Hotels, Metro has issued revenue bonds, to be repaid by the VFTA, to match more than \$150 million in private funding to build the long-anticipated "headquarters" hotel. The OCC controls a block of 500 rooms for booking future conventions. Construction is underway with an anticipated completion of late 2019, and new convention groups are already being booked for the months after the hotel opens.

In February of 2018, the Multnomah County Chair, the Mayor of Portland, and Metro Council President directed staff to work in collaboration with Travel Portland to develop updates the 2013 VF IGA. Key priorities to guide the process of drafting amendments were outlined in a May, 2018, Letter of Agreement. When discussions on a comprehensive amendment did not reach a conclusion in 2018, the Metro Council President, City of Portland Mayor, and Multnomah County Chair agreed to complete a limited amendment to the 2013 VF IGA to create a one-time \$2,000,000 allocation to the Portland's Centers for the Arts (P'5) for the acoustical shell replacement project. Through a Letter of Agreement

(Exhibit B), dated December 21, 2018, this commitment of a public contribution to the project enabled P'5 to secure \$3,000,000 in private contributions.

ATTACHMENTS

Resolution 19-4972

Exhibit A -- VF IGA amendment

Exhibit B -- Letter of Agreement