

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 19-04

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Budget for FY2019-20, and requesting amendment of the FY 2019-20 through FY 2023-24 Capital Improvement Plan (CIP).

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

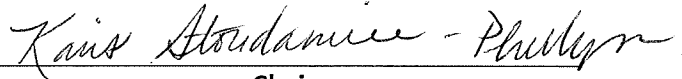
WHEREAS, MERC previously approved and transmitted to the Metro Council the fiscal year 2019-20 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the Proposed Budget for fiscal year 2019-20 for the reasons described in the attached Staff Report.

BE IT THEREFORE RESOLVED THAT,

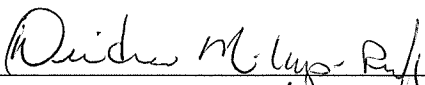
1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020 for inclusion as part of the total Metro budget for this period.
2. MERC requests that the Metro COO present these amendments to the Proposed Budget to the Metro Council for ratification.

Passed by the Commission on May 1, 2019.




Chair

Approved as to Form:
Nathan A. S. Sykes, Acting Metro Attorney



Secretary/Treasurer

By: 

Nathan A. S. Sykes, Acting Metro Attorney

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council a FY 2019-20 Budget and Capital Improvement Plan (CIP) amendment to the MERC Fund.

Resolution No: 19-04

Presented By: Rachael Lembo, MERC Finance Manager

Date: May 1, 2019

Background and Analysis:

CIP Amendment – Oregon Convention Center

The following amendments are budget adjustments in existing projects:

Exterior Waterproofing: Tower/Crown Glazing

- Total project budget: Increase from \$575,000 to \$700,000
- FY19-20 budget appropriation change: Increase of \$100,000

The Facility Condition Assessment found multiple locations around the Convention Center with evidence of water intrusion/damage. This will be addressed through multiple projects, which began in FY17-18. This particular project will address the spires and crescent, which have multiple points of water intrusion due to failed sealants over time. This project will reglaze tower glass to prevent future water intrusion. The updated budget increases contingency as bids have not yet been received on this project, and construction is expected to begin summer 2019. This project is funded by the FY18-19 projected operating surplus in excess of the budgeted amount.

Major Renovation

- Total project budget: Increase from \$39,050,000 to \$39,550,000
- FY19-20 budget appropriation change: Increase of \$500,000

The major renovation of the Oregon Convention Center includes the Oregon Ballroom, MLK lobby, prefunction areas and exterior plaza. Construction is approximately halfway complete as of April 2019. While construction so far has been successfully managed around events and unexpected items have been addressed within the existing budget and contingency funds, schedule pressure will increase this summer with significant work in the Oregon Ballroom and a tight construction schedule with no allowable schedule slippage due to existing client bookings in the ballroom immediately after scheduled construction completion and with no available OCC space alternatives. To provide flexibility for possible overtime, contractor incentives and creative solutions, OCC proposes to increase the overall contingency budget by \$500,000, just over 1% of total project budget. This increase will be funded by the FY18-19 projected operating surplus in excess of the budgeted amount.

FY 2019-20 Budget Impact

Project Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Project Budget
Beginning Fund Balance		\$ 17,500,000	\$ 600,000	\$ 18,100,000	
Resource increase			\$ 600,000		
Waterproofing: Tower/Crown Glazing	8R222	\$ 400,000	\$ 100,000	\$ 500,000	\$ 700,000
Major Renovation	8R082	10,230,000	500,000	10,730,000	39,550,000
Requirement increase			\$ 600,000		

CIP Amendment – Portland’s Centers for the Arts

The following amendment is a budget adjustment due to a new project:

Keller Stage Cooling

- Total project budget: \$2,000,000
- FY19-20 budget appropriation change: Increase of \$2,000,000

This spring the Keller Auditorium chiller and HVAC system have struggled to keep the stage the appropriate temperature during performances. While immediate short-term solutions are underway, a more significant long-term solution is necessary. This project is a priority and will be funded by delaying other projects and a projected operating surplus in FY18-19. The total project budget is a rough order of magnitude estimate, as design and engineering work have not yet begun.

The following amendments are budget adjustments in existing projects:

Arlene Schnitzer Concert Hall Broadway and Park Marquees

- Project defunded
- FY19-20 budget appropriation change: Decrease of \$500,000

This project will be defunded from the current CIP to allow funds to be used for the Keller Stage Cooling project. In addition, a required historic land use review, would have delayed construction until summer 2020. P5 will continue to work through design and add it back to the CIP when funding allows.

Keller Auditorium Sound Reinforcement

- Project defunded
- FY19-20 budget appropriation change: Decrease of \$400,000

This project will be defunded from the current CIP to allow funds to be used for the Keller Stage Cooling project. This project, which would replace speakers, sound console and related components at the Keller, will be added back to the CIP when funding allows.

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

Keller Auditorium Elevator Modernizations

- Total project budget: \$800,000 (no change)
- FY19-20 budget appropriation change: Increase of \$250,000

The Keller Auditorium (KA) has multiple elevators scheduled for modernization. P5 has identified a window of time this summer that can accommodate the upgrade of the back of house elevator, and is shifting \$250,000 from FY20-21 to allow the work to begin in FY19-20. This timing shift will reduce the contingency in FY19-20.

FY 2019-20 Budget Impact

Project Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Project Budget
Beginning Fund Balance		\$ 9,965,000	\$ 1,100,000	\$ 11,065,000	
Resource increase			\$ 1,100,000		
KA Stage Cooling	8R247	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
ASCH Broadway and Park Marquees	8R220	500,000	(500,000)	0	0
KA Sound Reinforcement	8R241	400,000	(400,000)	0	0
KA Elevator Modernizations	8R175	0	250,000	250,000	800,000
Contingency		5,510,787	(250,000)	5,260,787	
Requirement increase			\$ 1,100,000		

CIP Amendment – Portland Expo Center

The following amendments are timing adjustments on the five-year CIP schedule:

Hall E Flat Roof

- Total project budget: \$150,000 (no change)
- FY19-20 budget appropriation change: Increase of \$150,000

This project will utilize the product remaining from Hall D and E roof restoration on the Hall E flat roof. Due to the type of work required for this roof maintenance, Expo was unable to use the on-call contractor and complete work this spring. This project will be carried forward to FY19-20 with intent to complete in spring 2020.

Lighting Controls

- Total project budget: \$170,000 (no change)
- FY19-20 budget appropriation change: Increase of \$161,000

This project will upgrade Expo’s lighting control system to improve electrical efficiency and reduce electrical costs. Options were explored this year, and Expo intends to release an RFP this summer to select a system and install in FY19-20.

Both items are funded by beginning fund balance, as these funds will not be spent as budgeted in FY18-19.

FY 2019-20 Budget Impact

Project Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Project Budget
Beginning Fund Balance		\$ 2,470,000	\$ 311,000	\$ 2,781,000	
Resource increase			\$ 311,000		
Hall E Flat Roof	8R234	\$ 0	\$ 150,000	\$ 150,000	\$ 150,000
Lighting Controls	8R169	0	161,000	161,000	170,000
Requirement increase			\$ 311,000		

Fiscal Impact: This action will amend the FY 2019-20 Adopted Budget as shown above. The revised five-year CIP is included as Attachment 1.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 19-04.

**Oregon Convention Center
CIP Summary
Fiscal Year 2020**

Department: OCC	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total	Prior Years	Total Project
CONVENTION CENTER OPERATING FUND								
Master Plan Renovation	10,730,000	-	-	-	-	10,730,000	28,820,000	39,550,000
Chair Replacement	2,800,000	-	-	-	-	2,800,000	-	2,800,000
Staff Support Area Programming: King BR/Admin	690,000	-	-	-	-	690,000	80,000	770,000
Staff Support Area Programming: Guest Services	-	1,165,000	-	-	-	1,165,000	-	1,165,000
Tower/Crown Glazing	500,000	160,000	-	-	-	660,000	40,000	700,000
Table Replacement	375,000	-	-	-	-	375,000	-	375,000
Water Heater Replacement	350,000	-	-	-	-	350,000	50,000	400,000
Audio Visual Equipment	450,000	150,000	150,000	150,000	150,000	1,050,000	-	1,050,000
Integrated Door Access Controls	250,000	-	-	-	-	250,000	260,000	510,000
Waterproofing: Rain Garden	250,000	-	-	-	-	250,000	60,000	310,000
Vertical Transportation: Elevator Door & Operator	250,000	-	-	-	-	250,000	-	250,000
OCC - Lighting Control System	200,000	-	-	-	-	200,000	2,055,000	2,255,000
Prefunction A and C Restroom Renovations	195,000	2,600,000	-	-	-	2,795,000	-	2,795,000
Vertical Transportation: Elevator Modernizations	175,000	300,000	300,000	-	-	775,000	375,000	1,150,000
Mass Notification Consulting & Implementation	150,000	-	-	-	-	150,000	-	150,000
Rain Garden Tree Replacement	130,000	-	-	-	-	130,000	-	130,000
VIP B Renovation	120,000	1,000,000	-	-	-	1,120,000	-	1,120,000
OCC - WiFi & Show Network Upgrades	120,000	130,000	130,000	130,000	130,000	640,000	-	640,000
ADA Assessment and Improvements	100,000	-	-	-	-	100,000	-	100,000
Vertical Transportation: Escalator Safety Skirt Brush	100,000	-	-	-	-	100,000	-	100,000
Parking Pay Station Signage/Elevator lobby Refresh	100,000	-	-	-	-	100,000	-	100,000
Lobby Lighting Retrofit	80,000	600,000	-	-	-	680,000	-	680,000
Waterproofing: SW Exterior & Egress Doors	60,000	400,000	-	-	-	460,000	-	460,000
CCTV Security Camera Replacement	-	500,000	-	-	-	500,000	-	500,000
Food & Beverage Prog: Planning & Design	-	300,000	-	-	-	300,000	-	300,000
Security Console/Entrance area Renovation	-	230,000	1,400,000	-	-	1,630,000	-	1,630,000
OCC - AV Audio System Upgrade	-	100,000	750,000	-	-	850,000	-	850,000
Facility Security Hardening	-	80,000	300,000	-	-	380,000	-	380,000
Interior Digital Signage Additions	-	75,000	1,000,000	-	-	1,075,000	-	1,075,000
OCC - Crbrd Baler & Cnpy	-	75,000	350,000	-	-	425,000	-	425,000
Exhibit Hall Sound Panel Replacement	-	65,000	650,000	-	-	715,000	-	715,000
Waterproofing: Miscellaneous	-	60,000	300,000	-	-	360,000	-	360,000
Waterproofing: Parking Garage Traffic Coating	-	60,000	250,000	-	-	310,000	-	310,000
OCC Cooling System phase II	-	20,000	4,000,000	-	-	4,020,000	-	4,020,000
Gingko Lane Renovation	-	-	750,000	5,000,000	-	5,750,000	-	5,750,000
Exhibit Hall Restroom Renovation	-	-	224,000	1,700,000	-	1,924,000	-	1,924,000
ABC Meeting Room Renovation	-	-	-	1,200,000	7,000,000	8,200,000	-	8,200,000
DEF Meeting Rooms/Lobbies/Restrooms Renovation	-	-	-	-	1,200,000	1,200,000	-	1,200,000
Holladay & 1st Ave Exterior Improvements	-	-	-	-	750,000	750,000	-	750,000
Glass Tower Structural Reinforcement	-	-	-	-	100,000	100,000	-	100,000
OCC - Boiler Replacement	-	-	-	-	100,000	100,000	-	100,000
Exhibit Hall Lighting Retrofit	-	-	-	-	75,000	75,000	-	75,000
Employee Locker Room Renovation	-	-	-	-	70,000	70,000	-	70,000
Holladay Suites Renovation	-	-	-	-	60,000	60,000	-	60,000
TOTAL	\$18,175,000	\$8,070,000	\$10,554,000	\$8,180,000	\$9,635,000	\$54,614,000	\$31,740,000	\$86,354,000
Total changes in proposed amendment	\$600,000	\$160,000	\$0	\$0	\$0	\$760,000		

**Portland's Centers for the Arts
CIP Summary
Fiscal Year 2020**

Department: P5									
	ID	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total	Prior Years	Total Project
PORTLAND'S CENTERS FOR THE ARTS FUND									
Schnitzer Acoustical Enhancements	8R092	3,900,000	1,442,908	-	-	-	5,342,908	2,657,092	8,000,000
P5 AHH Roof	8R179	3,010,000	-	-	-	-	3,010,000	987,000	3,997,000
KA Stage Cooling	8R247	2,000,000	-	-	-	-	2,000,000	-	2,000,000
KA Elevator Modernizations	8R175	250,000	550,000	-	-	-	800,000	-	800,000
KA Generator Fuel Storage	8R214	200,000	-	-	-	-	200,000	150,000	350,000
ASCH Sound Reinforcement System	8R240	100,000	400,000	-	-	-	500,000	-	500,000
P5 ADA improvements	8R182	50,000	95,000	-	-	-	145,000	80,000	225,000
AHH Digital Signage	P5TBD82	-	200,000	100,000	-	-	300,000	-	300,000
TOTAL		\$9,510,000	\$2,687,908	\$100,000	\$0	\$0	\$12,297,908	\$3,874,092	\$16,172,000
Total changes in proposed amendment		\$1,350,000	(\$850,000)	\$0	\$0	\$0	\$500,000		

**Portland Expo Center
CIP Summary
Fiscal Year 2020**

Department: EXPO	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5 Year Cost	Prior Years	Total Project
EXPO FUND								
Lower Parking Lot 1 Improvements	300,000	250,000	450,000	-	-	1,000,000	50,000	1,050,000
Hall C Structural Maintenance	200,000	200,000	-	-	-	400,000	-	400,000
Lighting Controls	161,000	-	-	-	-	161,000	9,000	170,000
Hall E Flat Roofs	150,000	-	-	-	-	150,000	-	150,000
Expo Website Update	100,000	-	-	-	-	100,000	40,000	140,000
ADA Compliance Assessment	100,000	-	-	-	-	100,000	-	100,000
Facility Wide Door Improvements	50,000	-	75,000	-	-	125,000	20,000	145,000
Main Entry Improvements	35,000	150,000	-	-	-	185,000	-	185,000
Campus Master Plan	20,000	100,000	-	-	-	120,000	-	120,000
Facility Wide Overhead Door Impr	-	-	125,000	100,000	-	225,000	-	225,000
Halls D&E Interior Improvements	-	-	-	-	250,000	250,000	-	250,000
Hall C Roof Recoat	-	-	-	-	150,000	150,000	-	150,000
UP2 North Walkway Cover	-	-	-	-	150,000	150,000	-	150,000
Hall D&E HVAC	-	-	-	-	150,000	150,000	-	150,000
TOTAL	\$1,116,000	\$700,000	\$650,000	\$100,000	\$700,000	\$3,266,000	\$119,000	\$3,385,000
Total changes in proposed amendment	\$311,000	\$0	\$0	\$0	\$0	\$311,000		

