

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 112

Requesting a one-time exemption from Metro Code Chapter 7.01, from the Council of the Metropolitan Service District, for the Oregon Convention Center Grand Opening festivities, from the Metro excise tax.

The Metropolitan Exposition-Recreation Commission finds:

1. That the revenues generated from activities associated with the Oregon Convention Center, other than Concessions and Catering revenues, are subject to a Metro excise tax under Metro Code 7.01.

2. That these revenues come to \$785,344 and the excise tax would amount to \$37,397.

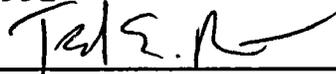
3. That included in the Oregon Convention Center FY 1990-91 budget is \$78,633 as projected excise tax revenues from operations following opening of the facility, which did not include any excise tax revenues from grand opening activities.

4. That included in the Oregon Convention Center FY 1990-91 budget was \$209,000 for a net Grand Opening Investment, which did not include payment for any excise tax.

5. That since the basic concept behind the convention center grand opening was to showcase the center to the potential users and recognize the people involved in design and construction of the center, and since the convention center FY 1990-91 budget does not include any excise taxes in conjunction with the grand opening, and since Staff and the Steering Committee assumed that the excise tax would take effect once the facility was open and conducting business, Staff recommends the Commission request a one-time exemption from the excise tax for activities associated with the Oregon Convention Center Grand Opening.

BE IT THEREFORE RESOLVED that the Commission request that the Council of the Metropolitan Service District grant a one-time exemption from Metro Code Chapter 7.01 for the Oregon Convention Center Grand Opening festivities, from the Metro excise tax.

Passed by the Commission February 13, 1991

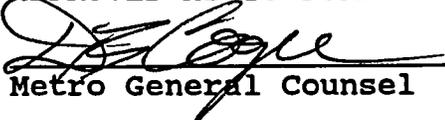


Chairman



Secretary-Treasurer

APPROVED AS TO FORM:



Metro General Counsel

Metropolitan Exposition-Recreation Commission

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February 8, 1991

TO: Metropolitan Exposition-Recreation Commission
FROM: *JB* Dominic Buffetta
SUBJECT: Oregon Convention Center Grand Opening - Exemption From Excise Tax

Background:

Beginning September 17 thru September 23, 1990, the Metro ER Commission produced festivities the Oregon Convention Center. At the time the convention center budget was approved, for this fiscal year, it was much too early to project which activities and events would be included in the grand opening, or how much sponsorship, concessions, catering, etc. revenues we would generate, or how much would be spent.

The Commission did agree, during the budget process, that Grand Opening festivities must reach all the people who may, or may not, realize they will benefit from the convention center, that the whole region needs to be targeted, and the opening needs to be an event which involves all segments of our community and generates excitement. The Commission agreed, also, that some of the funds for the Grand Opening would come from the Metro E-R Commission, but that a vigorous and continuous effort be made to generate Public and Corporate support toward a self sustaining event. To this end, the Metro Commission allocated \$209,000 for a net Grand Opening investment in the Oregon Convention Center FY 1990-91 Budget. Following is a summary of revenues and expenses associated with grand opening (see attached for a more detailed summary):

Concessions/Catering	\$ 209,325
Sponsorships, grants, gifts, donations, exhibit sales, etc.	785,344

Total Revenues	994,669
Less: Expenses	1,182,987

Net Grand Opening Investment	\$ (188,319)
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Update:

We have recently been notified that under Metro Code Chapter 7.01 all gross revenues associated with Grand Opening, other than Concessions/Catering revenues, are subject to the Metro 5% excise tax; however, all other revenues associated with the grand opening, \$785,344, would be subject to the excise tax. The excise tax on the \$785,344 would amount to \$37,397.

Recommendation:

Since the basic concept behind the "Grand Opening" was to showcase the "Center" to the Community and potential users and to recognize the people involved in design and construction of the "Oregon Convention Center" (in other words "a grand thank you" and a once in a life time marketing opportunity) and this is the only Grand Opening the Convention Center will ever have, the staff believes we should request from Metro Council a one-time exemption from Metro Code Chapter 7.01 for the Convention Center Grand Opening celebration.

Included in the convention center FY 1990-91 budget is \$78,633 for projected excise tax revenues to Metro from operations following opening of the facility. This budgeted amount did not include any excise taxes in conjunction with the grand opening; therefore, the expected excise tax money transferred to Metro this Fiscal year will not be impacted. The staff and Steering Committee for the Grand Opening Celebration never considered the excise tax in its planning and budgeting process and assumed the excise tax would take effect once the facility was open and conducting business.

Staff recommends approval of Resolution No. 112 which would request the Metro Council, by Ordinance, grant a one-time exemption, for the Oregon Convention Center Grand Opening festivities, from the Metro excise tax.

General Managers' Concurrence

A handwritten signature in cursive script, reading "Lee Zehrenkamp", written over a horizontal line.

	Summary (2/5/91)		
Revenues	Budget	Actual	Variance
Sponsorships:			
Fundraising Dinner/Founders' Luncheon (U.S. West Communications)	30,000	30,000	0
Artists' Event (Key Bank)	5,000	5,000	0
Construction Workers Barbecue (ZGF & Hoffman/Marmalejo)	12,000	12,000	0
Street Dance (Safeway/Coca-Cola/Bluebell)	25,000	25,000	0
Service Industry Reception (Blitz-Weinhard)	5,500	5,500	0
Visitor Industry Reception/Dinner (Sundown Sound & Hollywood Lights)	5,000	5,000	0
Fine Host Catering	50,000	50,000	0
Beer Gardens (Coast Distrib./Miller Beer)	0	6,008	6,008
Patron Tables/Points of Interest	60,000	47,450	(12,550)
Hospitality Room (City Center Parking Port of Ptd./Greyhound Expo/POVA/ M&M Prod./Update Mgmt/OCC)	0	18,250	18,250
Sub Total Sponsorships	192,500	204,208	11,708
Concessions/Catering (Gross)	210,900	209,325	(1,575)
Total Sponsorships & Concessions/Catering	403,400	413,533	10,133
Other:			
Trade Show (Gross)	440,000	474,421	34,421
Novelties Net	15,000	11,604	(3,396)
Ticket Sales - Industry/Gala	160,000	79,775	(80,225)
Electrical/Phone	15,000	15,336	336
Sub Total	630,000	581,136	(48,864)
Total Revenues	1,033,400	994,669	(38,731)
Less:			
- Grand Opening Events Expenses (NW Strategies) (Schedule A-2)	639,059	576,176	62,883
- NW Strategies Fee/Out Of Pocket	86,800	85,937	863
- Trade Show Expenses (Schedule A-3)	312,138	334,652	(22,514)
- Concessions/Catering Expenses	185,900	183,323	2,577
- Hospitality Room	0	2,899	(2,899)
Total Expenses	1,223,897	1,182,987	40,910
Net Grand Opening Investment	(190,497)	(188,319)	2,178