

**METROPOLITAN EXPOSITION-RECREATION COMMISSION**

**Resolution No. 04-24**

**For the purpose of recommending to the Metro Council a proposal for an investment funded by the Metro Tourism Opportunity and Competitiveness Account (MTOCA), recommending a budget amendment to the fiscal year 2004-05 adopted Metro budget to authorize the transfer of \$504,000 from Metro's general fund contingency to MERC pooled capital fund capital outlay and the transfer of \$150,000 from MERC pooled capital contingency to MERC capital outlay, and approving transmittal of the recommended amendment to the Metro Council.**

WHEREAS, Metro Code 6.01.050 provides that the Commission 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 in those categories which are required by local budget law, applicable to all buildings, facilities, and programs managed by the Commission; and

WHEREAS, the Commission previously approved and transmitted to the Metro Council the Fiscal Year 04-05 budgets for the MERC Operating Fund, the MERC Pooled Capital Fund, and the Convention Center Project Capital Fund; and

WHEREAS, on May 20, 2004, the Metro Council passed Ordinance No. 04-1052, increasing the excise tax on solid waste by \$.50 per ton; and

WHEREAS, the proceeds from this tax are allocated to the Metro Tourism Opportunity and Competitiveness Account ("MTOCA"), to be used to maximize the competitiveness, financial viability, economic impact, and continued success of the Oregon Convention Center; and

WHEREAS, on October 7, 2004, the Metro Council passed Resolution No. 04-3494A, which adopted MTOCA Policy And Guidelines; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council directed the MERC Commission to submit proposals for funding the goals and strategies listed in the adopted MTOCA Policy And Guidelines, with priority given to those under Goal Number 1; and

WHEREAS, Goal Number 1 in the MTOCA Policy And Guidelines includes Strategy A, expending funds to obtain official green building (LEED) certification for the Oregon Convention Center; and

WHEREAS, obtaining LEED certification for the Oregon Convention Center will enhance OCC's marketing advantages and enhance OCC and Portland's distinctive reputation for environmental quality and build on the state's "Brand Oregon" campaign; and

WHEREAS, this certification could be used to enhance OCC's marketing advantages, particularly in conjunction with the Portland Visitor's Association (POVA's) "It's Not Easy Being Green" marketing plan for Portland. Such certification would enhance OCC and Portland's distinctive reputation for environmental quality and build on the State's "Brand Oregon" campaign; and

WHEREAS, the MERC Commission recommends expending funds from MTOCA for Fiscal Year 2004-05 to assist OCC to obtain official green building (LEED) certification, based on the understanding that fully funding the improvements to obtain LEED certification will also require funding from MTOCA in future fiscal years; and

WHEREAS, the Metro Council is the ultimate budget authority for MERC and, in accordance with budget law and the MTOCA Policy and Guidelines, final decisions on the recommendation made by the MERC Commission will be made as Supplementary Budget actions by the Metro Council.

**BE IT THEREFORE RESOLVED AS FOLLOWS:**


1. The MERC Commission recommends the expenditure of \$1,378,000 to obtain Green Building (LEED) certification for the Oregon Convention Center, as shown as "Strategy A" in the attached Exhibit "A," which recommendation is based on the understanding that the initial funding for the work will come in part from MTOCA funds for Fiscal Year 2004-05, and that additional MTOCA funds in future fiscal years will also be allocated to this project, as shown more particularly in the attached Exhibit "A," and
2. The MERC Commission recommends adoption of a budget amendment transferring \$504,000 from Metro's General Fund Tourism Opportunity & Competitiveness Fund Contingency to Metro's General Fund Transfer of Resources to MERC's Transfer of Resources and the appropriation of those funds in MERC's Pooled Capital, Capital Outlay; and
3. The MERC Commission recommends adoption of a budget amendment transferring \$150,000 from MERC Pooled Capital Contingency to MERC Pooled Capital Fund, Capital Outlay; and
4. The MERC Commission authorizes a five-year \$850,000 intra-fund loan from those funds identified as Expo's in MERC Pooled Capital Fund to OCC for expenditure on the Green Building (LEED) certification projects, which shall be repaid over a five-year term in semi annual payments with an interest rate of 3.5% per annum.
5. The MERC Commission grants the authority to MERC staff to prepare and present a Budget Ordinance to the Metro Council to amend the Fiscal Year 04-05 budget to reflect the above changes.

Passed by the Commission on October 27, 2004.

  
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Chair

Approved as to Form:  
Daniel B. Cooper, Metro Attorney

By:  \_\_\_\_\_

Lisa Umscheid  
Senior Attorney

  
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Secretary-Treasurer

## Metro Tourism Opportunity and Competitiveness Account

Program	Request	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Beginning Balance</b>		-	32,568	440,705	863,717	1,301,975	1,755,862
<b>Resources</b>							
Excise Tax from Metro	A	504,000	B 595,000	609,875	625,122	640,750	656,769
Intra-fund transfer from Expo to OCC	12/1/2004	850,000					
Business Energy Tax Credits (BETC)		150,000					
<b>Loan Payments</b>							
To repay funds to Expo							
5 years/3.5% annual interest, with semiannual payments		(93,432)	(186,863)	(186,863)	(186,863)	(186,863)	(93,432)
<b>MTOCA Goals</b>							
<b>Goal 1</b>	Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages.						
<b>Strategy A -- Green Building LEED Certification</b>							
Apply for LEED Certification on expansion by November <span style="float: right;">n/a</span>							
Retrofit existing building to meet LEED standards							
Replace three 800 ton chiller units	870,000	D					
Replace 250 ton chiller	130,000	D					
Chiller room ventilation/noise abatement	60,000						
Chiller controls	28,000						
Replace 198 Toilet/Urinals (auto flush)	125,000						
Replace light sensors	10,000						
ZGF Consulting	30,000						
Contingency 10%	125,000						
	<u>1,378,000</u>		(1,378,000)				
<b>Strategy B -- OCC Operational Advantage</b>	C						
<b>Strategy C -- Headquarters Hotel Related Investments</b>	C						
<b>Goal 2</b>	Assist the Visitor Development Fund with Oregon Convention Center Facility Costs.						
<b>Strategy A -- Offset Facility Costs when VDI allocation not fully funded</b>							
	C						
<b>Goal 3</b>	Maintain the Oregon Convention Center in First Class Condition						
<b>Strategy A -- Ensure sufficient funds for basic OCC cleaning, maintenance, and event service.</b>							
	C						
<b>Net Change for the Year</b>		<u>32,568</u>	<u>408,137</u>	<u>423,012</u>	<u>438,258</u>	<u>453,887</u>	<u>563,337</u>
<b>Ending Balance Available for other items</b>		<u>32,568</u>	<u>440,705</u>	<u>863,717</u>	<u>1,301,975</u>	<u>1,755,862</u>	<u>2,319,199</u>

- A Budget amount for 2004-05. Effective September 1, 2004.  
 B Assume future MTOCA funds will be available. Apply Metro inflation estimate 2.5% to this and all future periods.  
 C Assume investment in all strategies -- amounts by strategy to be determined.  
 D Chillers in the existing building need to be replaced to meet environmental standards

### Operating Impact

Reduced energy costs LEED	10,000	10,000	10,000	10,000	10,000
Additional convention revenue from LEED, net	50,000	50,000	50,000	50,000	50,000
	<u>-</u>	<u>10,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>