

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 07-02

For the purpose of approving and transmitting a budget amendment to the MERC Operating Fund for fiscal year 2006-07.

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; and

WHEREAS, Metro Code 6.01.050(d) further provides that once the Commission's budget has been adopted by the Metro Council, any changes in the adopted appropriations must be ratified in advance by the Metro Council; and

WHEREAS, the Commission previously approved and transmitted to the Metro Council the fiscal year 2006-07 budgets for the MERC Operating Fund; and

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Council the following budget amendment attached as Exhibit A for the fiscal year beginning July 1, 2006 and ending June 30, 2007 for inclusion as part of the total Metro budget for this period: amendment to the MERC Operating Fund.

Passed by the Commission on January 24, 2007.

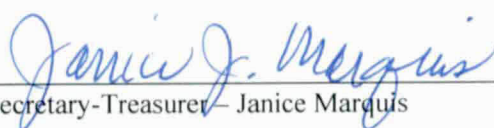
Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 

Nathan A. Schwartz Sykes,
Senior Attorney



Chair – George Forbes



Secretary-Treasurer – Janice Marquis

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting a budget amendment to the MERC Operating Fund for fiscal year 2006-07.

Resolution No.: 07-02

Presented By: Kathy Taylor

Date: January 24, 2007

Background and Analysis: Resolution 07-02 would approve the proposed budget amendment for submission to the Metro Council by a duly adopted resolution at a regular public meeting of the Commission.

1) MERC Operating Fund:

This amendment is to increase The Oregon Convention Center Materials and Services budget for project management, communication support, consulting fees, and associated project costs for the proposed Convention Center Hotel. Expert analysis and professional management will be necessary for the MERC Commission and Metro Council to determine appropriate further action for this project. First, in order to identify a firm price for the hotel construction, a project manager will be needed to negotiate with the development team on behalf of Metro/ MERC. Second, communication with the local community, the business community, the hospitality industry and convention stakeholders will need to take place so to determine the level of public support and/or concern about this project. Finally, Metro Council and MERC Commission, as well as bond Counsel, will need a comprehensive feasibility report on all aspects of the funding for the Headquarters Hotel including reserves accounts, hotel pro-formas, interest rates, market analysis and room rates to appropriately analyze the project. Relevant market information will include competitive analysis of other hotels, historical trends, a review of the impact of the new hotel on market demand, and how the market has withstood past economic downturns.

Operating Fund Financial Summary

Requirements

Contracted Professional Services		\$250,000
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<u>Total Requirements</u>	MERC Operating Fund	\$250,000
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<u>General Contingency</u>	MERC Operating Fund	(\$250,000)
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Fiscal Impact: The proposed amendments contemplate:

- Operating Fund decrease to the General Contingency (\$250,000)

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 07-02, For the purpose of approving and transmitting a budget amendment to the MERC Operating Fund for fiscal year 2006-07.

**Exhibit A Resolution 07-02
2006-07 FY Budget Amendment
MERC Operating Fund Summary**

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Admin</u>	<u>Operating</u>
2006-07 Adopted Budget					
Adopted Budget Net	410,141	(369,232)	98,458	128,066	267,433
Ending Fund Balance	3,512,684	5,323,017	4,369,382	253,523	13,458,606
2006-07 Amendments:					
Increase Material and Services for Headquarter Hotel Consulting		(250,000)			(250,000)
Total Amendments	-	(250,000)	-	*	(250,000)
Budget Net, with Amendments	410,141	(619,232)	98,458	128,066	17,433
Ending Fund Balance, with Amendments	3,512,684	5,073,017	4,369,382	253,523	13,208,606