

## **METROPOLITAN EXPOSITION-RECREATION COMMISSION**

### **Resolution No. 07 - 07**

**For the Purpose of Approving Continued Funding With Funds In The Amount Of \$688,256 From The Metro Tourism Opportunity and Competitiveness Account For Two Metro Council Approved Projects.**

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, which includes expending funds to obtain Green Building LEED Certification and to obtain an operational advantage for the Oregon Convention Center; and

WHEREAS, the 2006-2007 adopted budget includes a transfer of \$688,256 from MTOCA to MERC's Pooled Capital Fund; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council stated its desire that annual requests for appropriations from MTOCA be set out for discussion, consideration, and action in a manner separate and discrete from general budget process; and

WHEREAS, the Metro Council through the aforementioned process approved the use of certain MTOCA funds for the Green Building LEED Certification project for the Oregon Convention Center on December 9, 2004 pursuant to Resolution 04-1064.

WHEREAS, the Metro Council approved the use of certain MTOCA funds for the Audio Visual Control Room Equipment Project at the Oregon Convention Center on September 29, 2005 pursuant to Resolution 05-3613.

WHEREAS, at its public meeting on March 28, 2007, the MERC Commission considered a recommendation from staff that the Oregon Convention Center continue funding the Green Building LEED Certification Project and the Audio Visual Control Room Project with the allocated MTOCA funds in the 2006-2007 budget; and

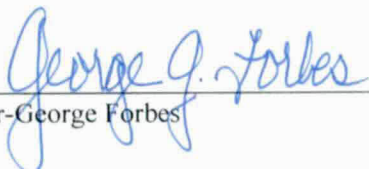
WHEREAS, the MERC Commission desires to approve the expenditure of the previously appropriated \$688,256 from the MTOCA to continue funding the LEED Certification Project and the Audio Visual Control Room Equipment Project.

**BE IT THEREFORE RESOLVED** that the MERC Commission approves the expenditure of \$688,256 in MTOCA funds, previously budgeted during the general 2006-2007 budget process, to continue funding the Oregon Convention Center LEED Certification Project and the Audio Visual Control Room Project.

Passed by the Commission on March 28, 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 Continued Funding With Funds In The Amount Of \$688,256 From The Metro Tourism Opportunity and Competitiveness Account For Two Metro Council Approved Projects.

**Resolution No.:** 07-07

**Presented By:** Jeff Blosser & Kathy Taylor

**Date:** March 28, 2007

**Background and Analysis:** The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and is recommending the continued investment in **Goal #1 Targeted Capital Investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages,**

- Strategy A: OCC Green Building LEED Certification
    - Retrofit existing building to meet LEED standards \$636,768
      - Rebuild Chiller units and ventilation noise abatement
      - Replace toilet/urinals and install Sloan uppercut flush valves which provides greatest LEED credits
      - Variable frequency drives
    - The Oregon Convention Center hopes to obtain certification at the Gold level this year
  - Strategy B: OCC Operational Advantage
    - Replacement of the audio visual control room \$1,042,521
  - Project Contingency \$149,175
- Total MTOCA Projects \$1,828,464

Originally the two projects were funded based on the annual amount available from the MTOCA fund and the balance borrowed from the MERC Pooled Capital Fund Balance. The intent was to repay the loan from future MTOCA funding. Due to the delays in completing these projects and cost savings in retrofitting the chillers in lieu of purchasing new, the third year of MTOCA funding, \$688,256 will allow OCC to fully fund both projects without borrowing from the MERC Pooled Capital Fund Balance.

The \$688,256 is included in the Adopted Budget, and MERC does not need approval to use MTOCA funds already budgeted for Metro Council approved projects.

The Metro Council approved the use of MTOCA funds for the Green Building LEED Certification project for the Oregon Convention Center on December 9, 2004 pursuant to Resolution 04-1064 (Exhibit "B"); and the Audio Visual Control Room Equipment Project at the Oregon Convention Center on September 29, 2005 pursuant to Resolution 05-3613 (Exhibit "C").

**Fiscal Impact:**

This recommendation will fully fund previously approved MTOCA projects without borrowing \$688,256 from the MERC Pooled Capital Fund (Exhibit "A"). The appropriation for MTOCA projects is included in the 2006-07 Adopted Budget.

**Recommendation:** Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 07-07, for the purpose of approving continued funding with funds in the amount of \$688,256 from the Metro Tourism Opportunity and Competitiveness Account for two Metro Council approved projects.

Metro Tourism Opportunity and Competitiveness Account  
Oregon Convention Center Pooled Capital Fund

Exhibit "A"

	<u>Actuals 2004-05</u>	<u>Actuals 2005-06</u>	<u>Budget 2006-07</u>	<u>Totals</u>	<u>Original Budget</u>	<u>Over/ (under)</u>
<b>Resources</b>						
Beginning Balance	-0-	475,358	127,232	n/a		
Excise Tax from Metro 2004-05 FY	504,000			504,000		
Excise Tax from Metro, adjust to actual collections 2004-05 FY			36,143	36,143		
Excise Tax from Metro 2005-06 FY			636,208	636,208		
Excise Tax from Metro 2006-07 FY			652,113	652,113		
<b>Total Resources</b>	<b>504,000</b>	<b>475,358</b>	<b>1,451,696</b>	<b>1,828,464</b>		
<b>Requirements</b>						
<b>Green Building LEED Certification (Goal 1 Strategy A)</b>						
Retrofit existing building to meet LEED standards - Metro Ordinance 04-1064						
Rebuild chiller units and ventilation noise abatement	28,642	348,126		376,768		
Replace Toilets/Urinals-Sloan uppercut flush valve			125,000	125,000		
Variable Frequency Drives			135,000	135,000		
<b>Subtotal Green Building LEED Certification</b>	<b>28,642</b>	<b>348,126</b>	<b>260,000</b>	<b>636,768</b>	<b>1,378,000</b>	<b>(741,232)</b>
<b>Audio Visual Head End Room - original building (Goal 1 Strategy B)</b>						
Replace analog system in original building due to failure and lack of replacement parts. - Metro Resolution 05-3613			1,042,521	1,042,521	985,000	57,521
<b>Project Contingency</b>			149,175	149,175		149,175
<b>Total Requirements</b>	<b>28,642</b>	<b>348,126</b>	<b>1,451,696</b>	<b>1,828,464</b>	<b>2,363,000</b>	<b>(534,536)</b>
<b>Ending Balance (Resources less Requirements)</b>	<b>475,358</b>	<b>127,232</b>	<b>-</b>	<b>-</b>		

**MTOCA Goals**

Goal 1 Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing  
Strategy A -- Green Building LEED Certification  
Strategy B -- OCC Operational Advantage  
Strategy C -- Headquarters Hotel Related Investments

Goal Assist the Visitor Development Fund with Oregon Convention Center Facility Costs.  
Strategy A -- Offset Facility Costs when VDI allocation not fully funded

Goal Maintain the Oregon Convention Center in First Class Condition  
Strategy A -- Ensure sufficient funds for basic OCC cleaning, maintenance, and event service.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY	)	ORDINANCE NO. 04-1064
2004-05 BUDGET AND APPROPRIATIONS	)	
SCHEDULE RECOGNIZING THE TRANSFER	)	Introduced by Mike Jordan, Chief Operating
OF \$504,000 FROM METRO'S GENERAL FUND	)	Officer, with the concurrence of the Council
TOURISM OPPORTUNITY &	)	President
COMPETITIVENESS ACCOUNT TO THE MERC	)	
POOLED CAPITAL FUND CAPITAL OUTLAY	)	
AND TRANSFERRING \$150,000 FROM MERC	)	
POOLED CAPITAL CONTINGENCY TO MERC	)	
POOLED CAPITAL FUND, CAPITAL OUTLAY;	)	
AND DECLARING AN EMERGENCY	)	

WHEREAS, the Metro Council has reviewed and considered the need to transfer appropriations within the FY 2004-05 Budget; and

WHEREAS, Oregon Budget Law ORS 294.326(3) allows for the expenditure in the year of receipt of funds transferred from its General Fund; and

WHEREAS, Oregon Budget Law ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction; and

WHEREAS, the need for the transfer of appropriation has been justified; and

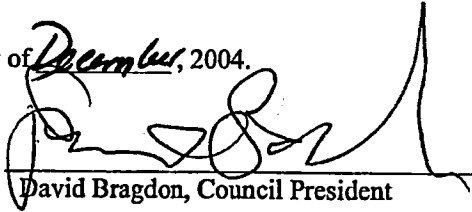
WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

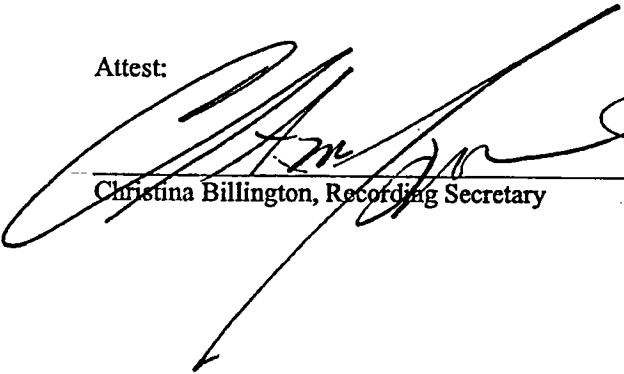
1. That the FY 2004-05 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$504,000 from the Metro's General Fund Tourism Opportunity & Competitiveness Account and transferring \$150,000 from MERC Pooled Capital Contingency to MERC Pooled Capital Fund, Capital Outlay.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

Exhibit "B"

ADOPTED by the Metro Council this 9<sup>th</sup> day of December, 2004.

  
\_\_\_\_\_  
David Bragdon, Council President

Attest:

  
\_\_\_\_\_  
Christina Billington, Recording Secretary

Approved as to Form:

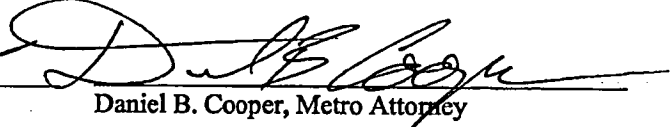
  
\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



Exhibit "B"

Exhibit A  
Ordinance No 04-1064

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>General Fund</b>							
<b>Total Personal Services</b>		<b>23.00</b>	<b>\$1,796,906</b>	<b>0.00</b>	<b>\$0</b>	<b>23.00</b>	<b>\$1,796,906</b>
<b>Total Materials &amp; Services</b>			<b>\$569,286</b>		<b>\$0</b>		<b>\$569,286</b>
<b><u>Interfund Transfers</u></b>							
<i>INDTEX Interfund Reimbursements</i>							
5800	Transfer for Indirect Costs						
	* to Building Management Fund		337,777		0		337,777
	* to Support Services Fund		680,958		0		680,958
	* to Risk Mgmt Fund-Liability		5,660		0		5,660
	* to Risk Mgmt Fund-Worker Comp		7,550		0		7,550
<i>EQTCH Fund Equity Transfers</i>							
5810	Transfer of Resources						
	* to Planning Fund (general allocation)		4,066,611		0		4,066,611
	* to Planning Fund (project allocation)		75,234		0		75,234
	* to Reg. Parks Fund (general allocation)		476,847		0		476,847
	* to Reg. Parks Fund (earned on SW revenues)		730,198		0		730,198
	* to Reg. Parks Fund (\$1 per ton on SW)		1,235,149		0		1,235,149
	* to Reg. Parks Fund (\$1.50 per ton on SW)		1,512,917		0		1,512,917
	* to Reg. Parks Fund (landbanking)		231,008		0		231,008
	* to MERC Pooled Capital Fund		0		504,000		504,000
	* to MERC Operating Fund (OCC - VDI Compliance)		182,129		0		182,129
<b>Total Interfund Transfers</b>			<b>\$9,542,038</b>		<b>\$504,000</b>		<b>\$10,046,038</b>
<b><u>Contingency and Ending Balance</u></b>							
<i>CONT Contingency</i>							
5999	Contingency						
	* General Contingency		563,000		0		563,000
	* Prior Year PERS Reserve		58,550		0		58,550
	* Current Year PERS Reserve		86,758		0		86,758
	* Tourism Opportunity & Competitiveness Fund		504,307		(504,000)		307
<i>UNAPP Unappropriated Fund Balance</i>							
5990	Unappropriated Fund Balance						
	* Ending balance		902,361		0		902,361
	* Recovery Rate stabilization reserve		412,042		0		412,042
<b>Total Contingency and Ending Balance</b>			<b>\$2,527,018</b>		<b>(\$504,000)</b>		<b>\$2,023,018</b>
<b>TOTAL REQUIREMENTS</b>		<b>23.00</b>	<b>\$14,435,248</b>	<b>0.00</b>	<b>\$0</b>	<b>23.00</b>	<b>\$14,435,248</b>

Note: This Ordinance does not reflect Ordinance No. 04-1066 that transfers \$63,208 to the Zoo Operating Fund



Exhibit "B"

Exhibit A  
Ordinance No 04-1064

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>Merc Pooled Capital</b>							
<b><u>Resources</u></b>							
<i>BEGBA Beginning Fund Balance</i>							
	* Prior year ending balance		4,698,164		0		4,698,164
	* Prior year PERS reserve		16,458		0		16,458
<i>GVCN1 Contributions from Governments</i>							
	4145 Government Contributions		321,484		0		321,484
<i>INTRS1 Interest Earnings</i>							
	4700 Interest on Investments		67,779		0		67,779
<i>DONA1 Contributions from Private Sources</i>							
	4750 Donations and Bequests		627,775		0		627,775
	4760 Sponsorship		88,000		0		88,000
<i>EQTRE Fund Equity Transfers</i>							
	4970 Transfer of Resources						
	* from Convention Center Capital Fund		385,000		0		385,000
	* from MERC Operating - OCC		178,750		0		178,750
	* from General Fund		0		504,000		504,000
	* from MERC Operating - Expo Center		117,356		0		117,356
<b>TOTAL RESOURCES</b>			<b>\$6,500,766</b>		<b>\$504,000</b>		<b>\$7,004,766</b>
<b>Total Personal Services</b>		<b>4.95</b>	<b>\$406,287</b>	<b>0.00</b>	<b>\$0</b>	<b>4.95</b>	<b>\$406,287</b>
<b>Total Materials and Services</b>			<b>\$10,000</b>		<b>\$0</b>		<b>\$10,000</b>
<b><u>Capital Outlay</u></b>							
<i>CAPNC Capital Outlay (Non-CIP Projects)</i>							
	5710 Improve-Oth thn Bldg (non-CIP)		40,000		0		40,000
	5720 Buildings & Related (non-CIP)		305,600		0		305,600
	5740 Equipment & Vehicles (non-CIP)		10,000		0		10,000
<i>CAPCI Capital Outlay (CIP Projects)</i>							
	5715 Improve-Oth thn Bldg (CIP)		800,000		0		800,000
	5725 Buildings & Related (CIP)		1,720,000		654,000		2,374,000
	5745 Equipment & Vehicles (CIP)		266,750		0		266,750
<b>Total Capital Outlay</b>			<b>\$3,142,350</b>		<b>\$654,000</b>		<b>\$3,796,350</b>
<b>Total Interfund Transfers</b>			<b>\$354,000</b>		<b>\$0</b>		<b>\$354,000</b>
<b><u>Contingency and Ending Balance</u></b>							
<i>CONT Contingency</i>							
	5999 Contingency						
	* General Contingency		500,000		(150,000)		350,000
	* Prior Year PERS Reserve		16,458		0		16,458
	* Current Year PERS Reserve		21,123		0		21,123
<i>UNAPF Unappropriated Fund Balance</i>							
	5990 Unappropriated Fund Balance						
	* Ending Balance		2,050,548		0		2,050,548
<b>Total Contingency and Ending Balance</b>			<b>\$2,588,129</b>		<b>#####</b>		<b>\$2,438,129</b>
<b>TOTAL REQUIREMENTS</b>		<b>4.95</b>	<b>\$6,500,766</b>	<b>0.00</b>	<b>\$504,000</b>	<b>4.95</b>	<b>\$7,004,766</b>

Note: This Ordinance does not reflect Ordinance No. 04-1065 that transfers \$63,208 to the Zoo Operating Fund

Exhibit "B"

**Exhibit B  
Ordinance No. 04-1064  
FY 2004-05 SCHEDULE OF APPROPRIATIONS**

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Amended Appropriation</u>
<b>GENERAL FUND</b>			
Council Office/Public Affairs			
Operating Expenses (PS & M&S)	\$2,101,192	\$0	\$2,101,192
<u>Subtotal</u>	<u>2,101,192</u>	<u>0</u>	<u>2,101,192</u>
Special Appropriations			
Operating Expenses (PS & M&S)	265,000	0	265,000
<u>Subtotal</u>	<u>265,000</u>	<u>0</u>	<u>265,000</u>
General Expenses			
Interfund Transfers	9,542,038	504,000	10,046,038
Contingency	1,212,615	(504,000)	708,615
<u>Subtotal</u>	<u>10,754,653</u>	<u>0</u>	<u>10,754,653</u>
Unappropriated Balance	1,314,403	0	1,314,403
<b>Total Fund Requirements</b>	<b>\$14,435,248</b>	<b>\$0</b>	<b>\$14,435,248</b>
<b>MERC POOLED CAPITAL FUND</b>			
Operating Expenses (PS & M&S)	\$416,287	\$0	\$416,287
Capital Outlay	3,142,350	654,000	3,796,350
Interfund Transfers	354,000	0	354,000
Contingency	537,581	(150,000)	387,581
Unappropriated Balance	2,050,548	0	2,050,548
<b>Total Fund Requirements</b>	<b>\$6,500,766</b>	<b>\$504,000</b>	<b>\$7,004,766</b>

Note: This Ordinance does not reflect Ordinance No. 04-1066 that transfers \$62,280 to the Zoo Operating Fund

**ALL OTHER APPROPRIATIONS REMAIN AS PREVIOUSLY ADOPTED**

**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.

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

\_\_\_\_\_

Chair

By: \_\_\_\_\_  
Lisa Umscheid  
Senior Attorney

\_\_\_\_\_

Secretary-Treasurer

## MERC STAFF REPORT

**Agenda Item:** For purpose of submitting to the METRO Council a proposal for the investment in the LEED Certification for the Oregon Convention Center, funded from the new Tourism Opportunity and Competitiveness Account (MTOCA) capital Improvements totaling \$1,378,000.

**Resolution:** 04-24

**Date:** October 28, 2004

**Prepared by:** Kathy Taylor and Jeff Blosser

**Background:** The MERC Commission previously approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and is recommending investment in Goal #1, Targeted Capital Investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages. Strategy A: Green Building (LEED) Certification.

Funds could be expended to obtain official LEED certification for OCC. This certification could be used to enhance OCC's marketing advantages, particularly in conjunction with the Portland Oregon 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.

**Fiscal Impact:**

**A. Expenditure:** of \$1,378,000 to obtain Green Building (LEED) certification, as described in the attached Exhibit "A."

**B. Funding:**

1. 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
2. Amendment transferring \$150,000 from MERC Pooled Capital Contingency to MERC Pooled Capital Fund, Capital Outlay;
3. 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. The loan to be repaid over a five-year term in semi annual payments with an interest rate of 3.5%.

**Recommendation:** Staff recommends approval of Resolution No. 04-24.

Exhibit "B"

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)	(188,863)	(188,863)	(188,863)	(188,863)	(93,432)

MTOCA Goals

**Goal 1** Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages.

**Strategy A – Green Building LEED Certification**

Apply for LEED Certification on expansion by November 2004 n/a

Retrofit existing building to meet LEED standards

Replace three 800 ton chiller units	870,000	E
Replace 250 ton chiller	130,000	E
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)

**Strategy B – OCC Operational Advantage** C

**Strategy C – Headquarters Hotel Related Investments** C

**Goal 2** Assist the Visitor Development Fund with Oregon Convention Center Facility Costs.

**Strategy A – Offset Facility Costs when VDI allocation not fully funded** C

**Goal 3** Maintain the Oregon Convention Center in First Class Condition

**Strategy A – Ensure sufficient funds for basic OCC cleaning, maintenance, and event service.** C

<b>Net Change for the Year</b>	32,568	408,137	423,012	438,258	453,887	563,337
<b>Ending Balance Available for other items</b>	32,568	440,705	863,717	1,301,975	1,755,862	2,319,199

- 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 Concept only – projects to be submitted to Metro Council for approval.
- E 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
		-	10,000	60,000	60,000	60,000

## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO 04-1064, FOR THE PURPOSE OF AMENDING THE FY 2004-05 BUDGET AND APPROPRIATIONS SCHEDULE RECOGNIZING THE TRANSFER OF \$504,000 FROM METRO'S GENERAL FUND TOURISM OPPORTUNITY & COMPETITIVENESS ACCOUNT TO MERC POOLED CAPITAL FUND, CAPITAL OUTLAY AND TRANSFERRING \$150,000 FROM MERC POOLED CAPITAL FUND CONTINGENCY TO MERC POOLED CAPITAL FUND, CAPITAL OUTLAY; AND DECLARING AN EMERGENCY

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Date: November 1, 2004

Prepared by: Kathy Taylor and Jeff Blosser

## BACKGROUND

The purpose of this Ordinance is to take the necessary budget action to implement the MERC Commission's recommendation for use of the Metro's General Fund Tourism and Opportunity Contingency Fund (MTOCA). Metro Resolution No. 04-3494 adopted a policy and established a process and criteria for proposed investments from the Metro Tourism Opportunity and Competitiveness Account (MTOCA). This Ordinance reflects the recommendation of the MERC Commission as stated in the attached Exhibit C, MERC's Commission approved Resolution No. 04-24 and staff report.

The MERC Commission is recommending that these funds be expended to obtain official green building (LEED) certification for the Oregon Convention Center. This certification would enhance OCC's marketing plan by making the center attractive to conventions that require LEED certification. In addition, this project fits nicely with POVA's "It's Not Easy Being Green" marketing plan for Portland.

The complete project is expected to cost \$1,378,000 to obtain Green Building (LEED) certification. The details of the project components are included in an attachment to the MERC Staff Report. Funding for the total project is proposed to be from the transfer of \$504,000 from MTOCA account, \$150,000 from MERC Pooled Capital contingency (which will be reimbursed by expected Business Energy Tax Credits) and an \$850,000 intra fund loan from Expo's fund balance. The repayment of the intra fund loan is to be over five years with semi annual payments bearing interest of 3.5%. The initial funding of this project allows for the first of these payments. Subsequent payments on the intra fund loan will be from future years transfers from the MTOCA account.

## ANALYSIS/INFORMATION

1. **Known Opposition:** None known
2. **Legal Antecedents:** ORS 294.326(3) provides an exemption to Oregon Budget Law allowing for the expenditure in the year of receipt funds transferred from Metro's General Fund. ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
3. **Anticipated Effects:** This action allows the department to complete the LEED Certification for the Oregon Convention Center that will increase the marketability of the Oregon Convention Center



**Exhibit "B"**

4. **Budget Impacts** This action requests the recognition of \$504,000 in capital outlay from the transfer from the Metro General Fund MTOCA account, and \$150,000 in capital outlay from MERC Pooled Capital Contingency. The balance of the appropriation for this project comes from canceling the \$750,000 Expo Center Electrical Project. Expected energy credits of \$150,000 will replace the \$150,000 used from contingency.

**RECOMMENDED ACTION**

The Chief Operating Officer, in concurrence with the Council President, recommends adoption of this Ordinance.

BEFORE THE METRO COUNCIL

**FOR THE PURPOSE OF APPROVING AN INVESTMENT BY THE METRO TOURISM OPPORTUNITY AND COMPETITIVENESS ACCOUNT (MTOCA) TO FUND THE REPLACEMENT OF THE AUDIO VISUAL HEAD END ROOM EQUIPMENT AT THE OREGON CONVENTION CENTER**

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RESOLUTION NO. 05- 3613

Introduced by Michael Jordan COO in concurrence with Council President Bragdon

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, which includes expending funds to obtain an operational advantage for the Oregon Convention Center; and

WHEREAS, the 2005-2006 adopted budget includes a transfer of \$636,208 from MTOCA to MERC's Pooled Capital Fund; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council stated its desire that annual requests for appropriations from MTOCA be set out for discussion, consideration, and action in a manner separate and discrete from general budget process; and

WHEREAS, at its public meeting on August 4, 2005, the MERC Commission Budget Committee approved a recommendation from staff that the Oregon Convention Center audio visual head end room equipment be replaced at a total estimated cost of \$985,000, and that the MERC Commission recommend to the Metro Council that \$636,208 of the cost be funded by the MTOCA; and

WHEREAS, at its public meeting on August 24, 2005, the MERC Commission adopted Resolution 05-19 recommending to the Metro Council that the Oregon Convention Center audio visual head end room equipment be replaced with an investment of \$636,208 from MTOCA, along with additional funding from the MERC Pooled Capital Fund, for a total estimated cost of \$985,000; and

WHEREAS, replacing the audio visual head end room equipment in the original part of the convention center will create a total system control center for the entire audio visual system by upgrading an antiquated system that can no longer be serviced or maintained, and will provide customers with a quality sound and video system and services for their event needs throughout the facility; and

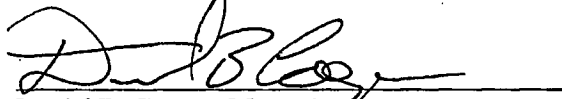
WHEREAS, the MERC Commission recommends that the Metro Council approve the expenditure of the previously appropriated \$636,208 from MTOCA on the replacement of the audio visual head end room equipment, with the remaining estimated cost of \$348,792 to be funded by the MERC Pooled Capital Fund.

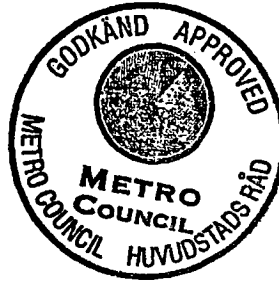
**BE IT THEREFORE RESOLVED** that the Metro Council approve the expenditure of \$636,208 in MTOCA funding, previously budgeted as a transfer during the general budget process from MTOCA to the MERC Pooled Capital Fund, on the replacement of the Oregon Convention Center audio visual head end room, with the remaining funding of \$348,792 drawn from the MERC Pooled Capital Fund.

ADOPTED by the Metro Council this 29th day of September, 2005

  
David Bragdon, Council President

Approved as to Form:

  
Daniel B. Cooper, Metro Attorney



## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3613 FOR THE PURPOSE OF APPROVING AN INVESTMENT BY THE METRO TOURISM OPPORTUNITY AND COMPETITIVENESS ACCOUNT (MTOCA) TO FUND THE REPLACEMENT OF THE AUDIO VISUAL HEAD END ROOM EQUIPMENT AT THE OREGON CONVENTION CENTER

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Date: September 29, 2005

Prepared by: Jeff Blosser and Kathy Taylor

## BACKGROUND

The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and recommended to the MERC Commission investment in **Goal #1 Targeted Capital Investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages, Strategy B: OCC Operational Advantage.** The Metropolitan Exposition-Recreation Commission adopted resolution 05-19 at the August 24, 2005 Commission meeting which supports the budget committee recommendation.

The Oregon Convention Center audio/visual head end room equipment, located in the original building, is failing. The head end room is the control center for the AV system including sound, video and recording capabilities and the controls to operate the system. Because the system is analog replacement parts are no longer available. Halls A, A1 and corresponding meeting rooms are totally inoperable and Hall B and B and C meeting rooms have only intermittent service. During 2003, a digital AV system costing \$1.1 million was installed in the new expansion. It was anticipated that the original AV equipment in the existing facility would be replaced during expansion. The project was not completed due to funding shortfalls. This proposal would extend that same system technology to the original structure and tie the entire system together for better overall service, labor reductions and quality sound in all areas of the facility.

## ANALYSIS/INFORMATION

1. **Known Opposition** None
2. **Legal Antecedents** 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, which includes expending funds to obtain an operational advantage for the Oregon Convention Center; and
3. **Anticipated Effects** This proposal would extend that same system technology to the original structure and tie the entire system together for better overall service, labor reductions and quality sound in all areas of the facility.
4. **Budget impacts** See attached Metropolitan Exposition-Recreation Commission Staff Report.

## RECOMMENDED ACTION

The Chief Operating Officer, in concurrence with the Council President recommends adoption of this resolution.

Exhibit "G"  
**Metro Tourism Opportunity and Competitiveness Account**

**Oregon Convention Center Pooled Capital Fund**

**Resolution No. 05-3613 Attachment 1**

	<u>2004-05</u>		<u>2005-06</u>
<b>Resources</b>			
Beginning Balance	-0-		505,400
Excise Tax from Metro	504,000	A	636,208
Excise Tax from Metro, adjust to actual collections (estimate)	30,000		
Intra-fund transfer from Expo to OCC		C	330,458
OCC Pooled Capital fund balance			206,000
Business Energy Tax Credits (BETC)	-		150,000
<b>Total Resources</b>	<b>534,000</b>		<b>1,828,066</b>

**Requirements**

**Green Building LEED Certification (Goal 1 Strategy A)**

Retrofit existing building to meet LEED standards

Rebuild chiller units and ventilation noise abatement	B	28,600	B	688,000
Replace 198 Toilet/Urinals (auto flush)			B	125,000

**Audio Visual Head End Room - original building (Goal 1 Strategy B)**

Replace analog system in original building due to failure and lack of replacement parts.				985,000
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**Total Requirements**

	<b>28,600</b>		<b>1,798,000</b>
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**Ending Balance (Resources less Requirements)**

	<b>505,400</b>		<b>30,066</b>
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A *Budget amount for 2005-06.*

B *Upgrade chillers in the existing building to meet environmental standards. The original concept to replace chillers was subsequently determined to be more costly than a retrofitting. The original estimate was \$1,215,000, savings from rebuilding is \$536,400.*

C *Fund Balance borrowed from Expo will be repaid from future year Pooled Capital Fund balance or transfer.*

**MTOCA Goals**

- Goal 1 Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages.  
 Strategy A -- Green Building LEED Certification  
 Strategy B -- OCC Operational Advantage  
 Strategy C -- Headquarters Hotel Related Investments
  
- Goal 2 Assist the Visitor Development Fund with Oregon Convention Center Facility Costs.  
 Strategy A -- Offset Facility Costs when VDI allocation not fully funded
  
- Goal 3 Maintain the Oregon Convention Center in First Class Condition  
 Strategy A -- Ensure sufficient funds for basic OCC cleaning, maintenance, and event service.

**MERC Staff Report  
Resolution No. 05-3613  
Attachment 2**

**Agenda Item/Issue:** For the Purpose of Submitting To The Metro Council A Proposal To Fund The Replacement of the Oregon Convention Center Audio Visual Head End Room Equipment With An Investment of \$636,208 From The Metro Tourism Opportunity and Competitiveness Account (MTOCA).

**Resolution No.:** 05-19

**Presented By:** Jeffrey A. Blosser &  
Kathy Taylor

**Date:** August 24, 2005

**Background and Analysis:** The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and is recommending investment in **Goal #1 Targeted Capital Investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages, Strategy B: OCC Operational Advantage**

The Oregon Convention Center audio/visual head end room equipment, located in the original building, is failing. The head end room is the control center for the AV system including sound, video and recording capabilities and the controls to operate the system. Because the system is analog replacement parts are no longer available. Halls A, A1 and corresponding meeting rooms are totally inoperable and Hall B and B and C meeting rooms have only intermittent service. During 2003, a digital AV system costing \$1.1 million was installed in the new expansion. It was anticipated that the original AV equipment in the existing facility would be replaced during expansion. The project was not completed due to funding shortfalls. This proposal would extend that same system technology to the original structure and tie the entire system together for better overall service, labor reductions and quality sound in all areas of the facility.

**Fiscal Impact:**

- A. **Expenditure:** \$985,000 to replace the audio/visual head end room equipment in the original building. The appropriation for this project is included in the 2005-06 adopted budget.
- B. **Operating Impact:** Until replacement of the worn out system, temporary AV equipment is rented, installed and uninstalled. Depending on the length of rental, the cost for labor and equipment is \$300 to \$1,500 per use. Annually, this would have a negative impact of at least \$50,000 per year if the system has no more deterioration or failures. Further, temporary equipment may not meet customers' requirements.
- C. **Funding:**
  - 1. The adopted budget includes a \$636,208 transfer from Metro's General Fund Tourism Opportunity & Competitiveness Fund to MERC's Pooled Capital
  - 2. The balance of \$348,792 will come from MERC Pooled Capital Fund Balance.

**Recommendation:** Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 05-19, for the purpose of submitting to the Metro Council a proposal to fund the replacement of the Oregon Convention Center audio visual head end room equipment with an investment of \$636,208 from the Metro Tourism Opportunity and Competitiveness Account (MTOCA).

**METROPOLITAN EXPOSITION-RECREATION COMMISSION**

**Resolution No. 05-19**

**For the Purpose of Submitting To The Metro Council A Proposal To Fund The Replacement of the Oregon Convention Center Audio Visual Head End Room Equipment With An Investment of \$636,208 From The Metro Tourism Opportunity and Competitiveness Account (MTOCA).**

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, which includes expending funds to obtain an operational advantage for the Oregon Convention Center; and

WHEREAS, the 2005-2006 adopted budget includes a transfer of \$636,208 from MTOCA to MERC's Pooled Capital Fund; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council stated its desire that annual requests for appropriations from MTOCA be set out for discussion, consideration, and action in a manner separate and discrete from general budget process; and

WHEREAS, at its public meeting on August 4, 2005, the MERC Commission Budget Committee considered a recommendation from staff that the Oregon Convention Center audio visual head end room equipment be replaced at a total cost of \$985,000; and

WHEREAS, replacing the audio visual head end room equipment in the original part of the convention center will create a total system control center for the entire audio visual system by upgrading an antiquated system that can no longer be serviced or maintained, and will provide customers with a quality sound and video system and services for their event needs throughout the facility; and

WHEREAS, the MERC Commission recommends that the Metro Council approve the expenditure of the previously appropriated \$636,208 from MTOCA on the replacement of the

audio visual head end room equipment, with the remaining cost of \$348,792 to be funded by the MERC Pooled Capital Fund.

**BE IT THEREFORE RESOLVED** that the MERC Commission recommends to the Metro Council that the Metro Council approve the expenditure of \$636,208 in MTOCA funding, previously budgeted during the general budget process, as a transfer from MTOCA to the MERC Pooled Capital Fund on the replacement of the Oregon Convention Center audio visual head end room equipment, with the remaining funding of \$348,792 drawn from the MERC Pooled Capital Fund.


Passed by the Commission on August 24, 2005

  
\_\_\_\_\_  
Chair

Approved as to Form:

Daniel B. Cooper, Metro Attorney

By: 

  
\_\_\_\_\_  
Secretary-Treasurer