
MERC Commission Meeting

February 5, 2020
12:30 pm

Oregon Zoo
Conservation Hall

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit www.oregonmetro.gov/civilrights or call 503-813-7514. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1890 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at www.trimet.org.

Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1890 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт www.oregonmetro.gov/civilrights або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1890 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

Metro 的不歧视公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 www.oregonmetro.gov/civilrights。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1890（工作日上午8點至下午5點），以便我們滿足您的要求。

Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullaan dadweyne, wac 503-797-1890 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqa ka hor kullanka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1890를 호출합니다.

Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。までお電話ください公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1890（平日午前8時～午後5時）までお電話ください。

ការម Metro
ការគោរពសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro
ឬដើម្បីទទួលបានក្បួនបណ្តឹង រើសអើងសូមចូលទស្សនាគេហទំព័រ
www.oregonmetro.gov/civilrights
បើលោកអ្នកត្រូវការអនុបកប្រែភាសានៅពេលអង្គ
បុណ្យសាធារណៈ សូមទូរស័ព្ទលេខ 503-797-1890 (ម៉ោង 8 រឺក្នុងម៉ោង 5 ល្ងាច
ថៃអង្គការ) ប្រាំពីរថៃអង្គ
ថៃអង្គការ មុនថៃអង្គការដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក

إشعار بحقوق مدني من Metro

تحتزم Metro الحقوق والمدنية للمزيد من المعلومات حول برنامج Metro لحقوق والمدنية أو لإبداء شكوى خذات مديري رجي زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، ي ج ب ع ل ي ك الاتصال مقدم ب ر ق ل ه ا ت ف 503-797-1890 من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة قبل خمسة () أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1890 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan. Notificación de no discriminación de Metro.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights. Si necesita asistencia con el idioma, llame al 503-797-1890 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1890 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1890 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1890 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lw m ua nte ntawm lub rooj sib tham.



Karis Stoudamire-Phillips
Chair

John Erickson
Vice chair

Deidra Krys-Rusoff
Secretary-treasurer

Damien Hall

Ray Leary

Dañel Malán

Deanna Palm

Meeting Agenda

February 5, 2020

12:20 to 2:30 p.m.

Oregon Zoo – Conservation Hall

- | | |
|-------------------|--|
| 12:30 p.m. | Call to Order and Roll Call |
| 12:35 | Citizen Communication |
| 12:40 | Commission / Council Liaison Communications |
| 12:45 | General Manager Communications
Scott Cruickshank |
| 12:50 | Financial Report
Rachael Lembo |
| 12:55 | Venues Business Reports
Matthew P. Rotchford, Robyn Williams, Craig Stroud |
| 1:15 | Consent Agenda <ul style="list-style-type: none">Record of MERC Actions, January 8, 2020 |
| 1:20 | Action Agenda <ul style="list-style-type: none">Resolution No. 20-01: 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). |
| 1:25 | Metro External Audit Presentation
Ashley Osten, Moss-Adams, Auditor Brian Evans,
Brian Kennedy, Metro |
| 1:50 | Hyatt Regency Portland at the Oregon Convention Center Look Back and Success Stories
Hillary Wilton |

MERC Commission Meeting

February 5, 2020
12:30 pm

Financial Report

Metropolitan Exposition Recreation Commission

Memorandum

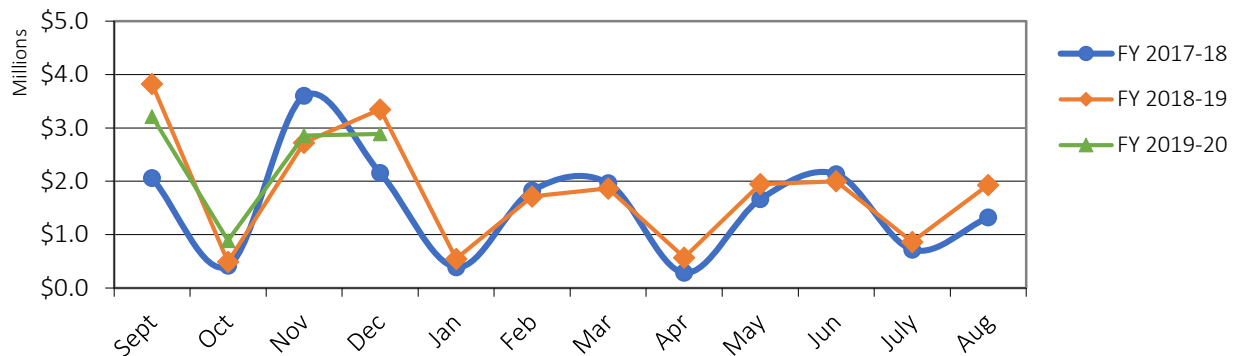
Date: February 5, 2020
 To: Commissioner Karis Stoudamire-Phillips, Chair
 Commissioner John Erickson, Vice Chair
 Commissioner Deidra Kryz-Rusoff, Secretary-Treasurer
 Commissioner Damien Hall
 Commissioner Ray Leary
 Commissioner Dañel Malán
 Commissioner Deanna Palm
 From: Rachael Lembo – MERC Finance Manager
 Subject: December 2019 Financial Update

Transient Lodging Tax

Total December collections were down \$459 thousand, or 14% from prior year.

Metro TLT Excise Tax receipts	FY2018-19	FY2019-20	\$ Var	% Var
December	3,349,109	2,889,784	(459,325)	-14%
YTD	10,384,562	9,852,316	(532,246)	-5%

Year-to-date collections are down \$532 thousand, or -5% over prior year. This was expected as the first TLT payment of FY 2018-19 was significantly higher than historical first payments. In the prior year, the high September payment was due to a number of operators whose payments were received by the City a month later than previous years. When combined, the August through December 2018 payments totaled \$11.7 million while the August through December 2019 payments totaled \$11.8 million. The difference is \$75 thousand, or 1%, higher in the 2019 four-month period.



Upcoming Large Procurements

There is one large procurement related to a capital project at the Oregon Convention Center. Additional information is included at the end of the financial packet.

- Oregon Convention Center—OCC Staff Space Renovation CM/GC

Quarterly Update

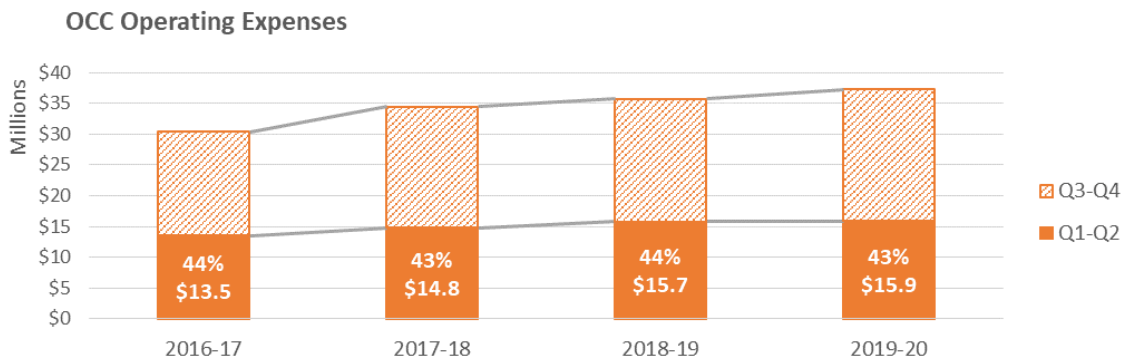
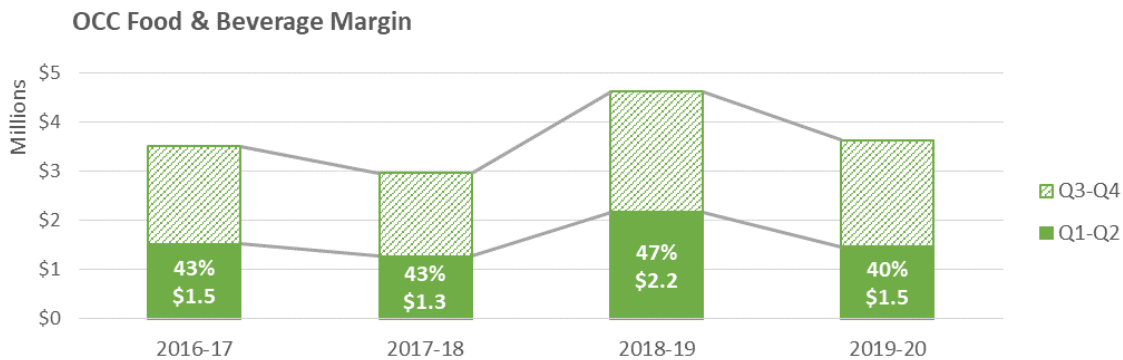
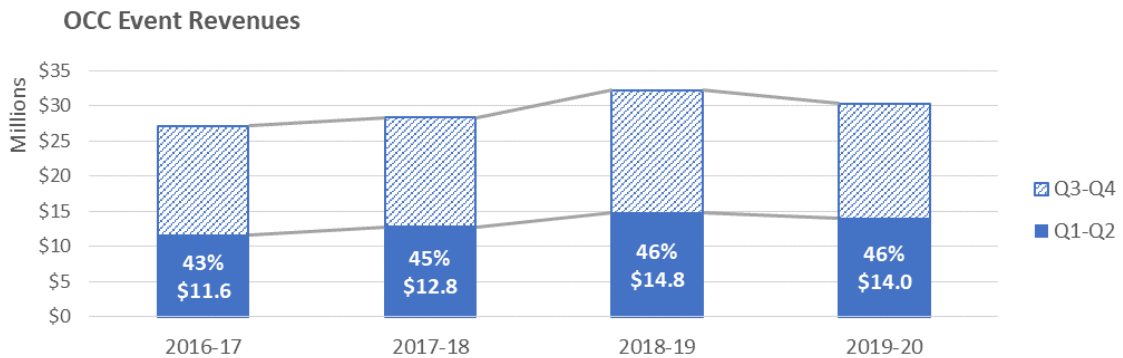
The charts below compare July-December actuals to the same period in the prior three years, and also to the annual totals for each year. The FY2019-20 annual total is the amended budget amount.

Oregon Convention Center Quarterly Update

The first half of the year at the Oregon Convention Center has been busy, with event revenues of \$14 million, 46% of the annual event revenue budget. This is in line with where we were last year at this time, and is also consistent with budget expectations. Food and beverage currently has a margin of \$1.5 million, 19%. The margin is at 40% of the annual budget. Operating expenses are currently at 43% of annual budget, comparable to the spending rate in prior years. Historically, OCC’s third and fourth quarters are busier than the first half of the fiscal year and that is where we expect to see the majority of the event revenues, F&B margins, and operating expenses.

Significant events in the first half of the year include Viewpoint User Conference, OSCON 2019, Microscopy and Microanalysis 2019, and Hydrovision International.

The final phase of the renovation is coming to a close, with all punch list items expected to be completed mid-February. The Center has completed a major chair replacement and is in progress with Dragon and Orbit Café modifications, elevator modernizations, and many other projects.

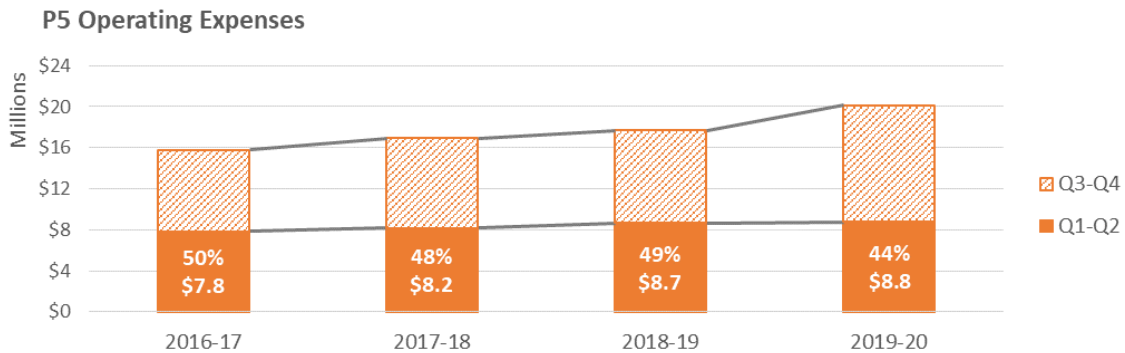
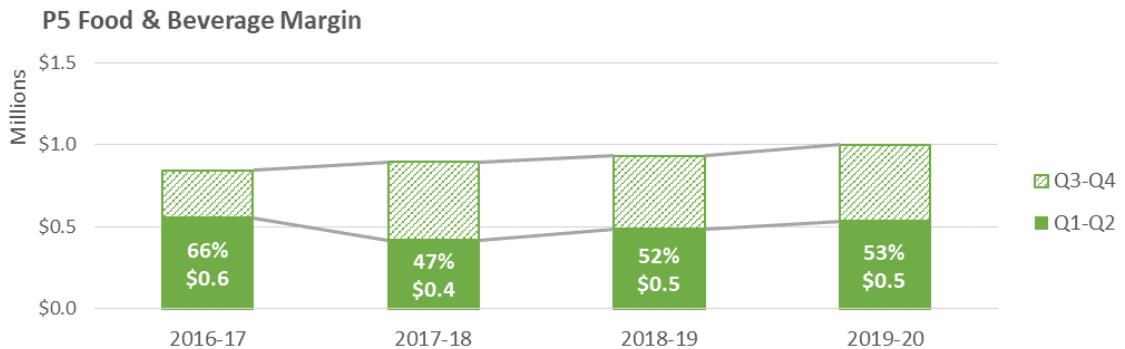
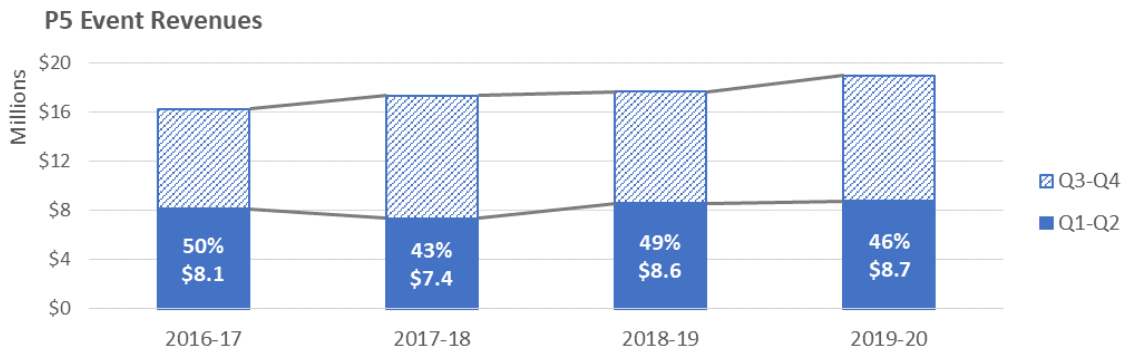


Portland’s 5 Centers for the Arts Quarterly Update

The first half of the year at Portland’s 5 Centers for the Arts has been strong, with event revenues currently exceeding prior year by almost \$200k, 2%, and exceeding budget expectations by \$85k, 0.5%. Food and beverage has performed well and currently has a margin of \$533k, 28%, exceeding the budget goal of 26%. Operating expenses are currently at 44% of annual budget, which is lower than the spending rate in prior years.

Portland’s 5 has thirteen weeks of Broadway performances this year, with four of them in the first half of the year. Significant events in the first half of the year include the four weeks of Broadway: three weeks of Wicked and one week of Miss Saigon, John Oliver, and The Nutcracker.

Portland’s 5 is in progress on the Antoinette Hatfield Hall Roof and the Keller Chiller project. Portland’s 5 is also busy gearing up for several other projects, including the Arlene Schnitzer Concert Hall (ASCH) Acoustical Enhancements, the ASCH Broadway and Park Marquees, and the Keller Elevator Modernization.



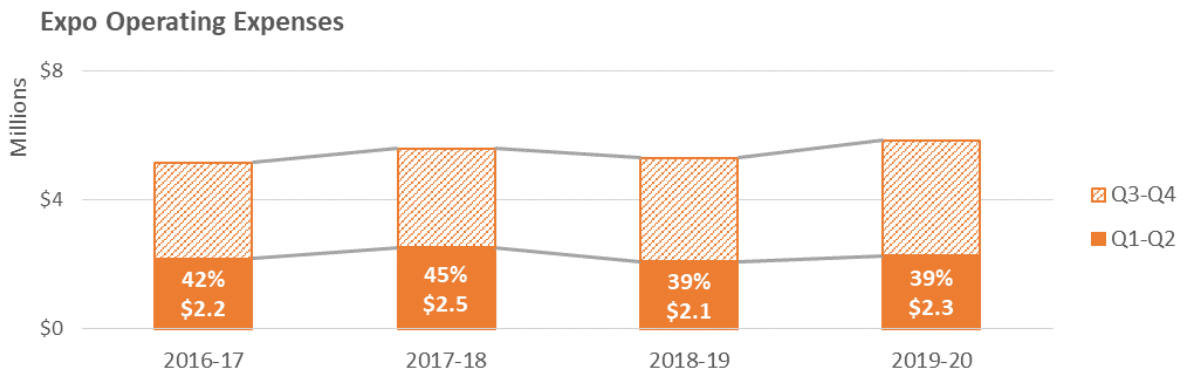
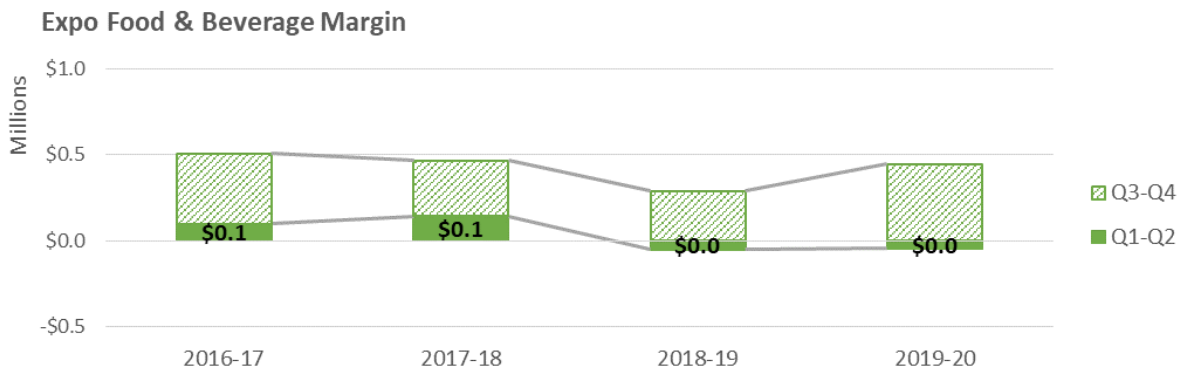
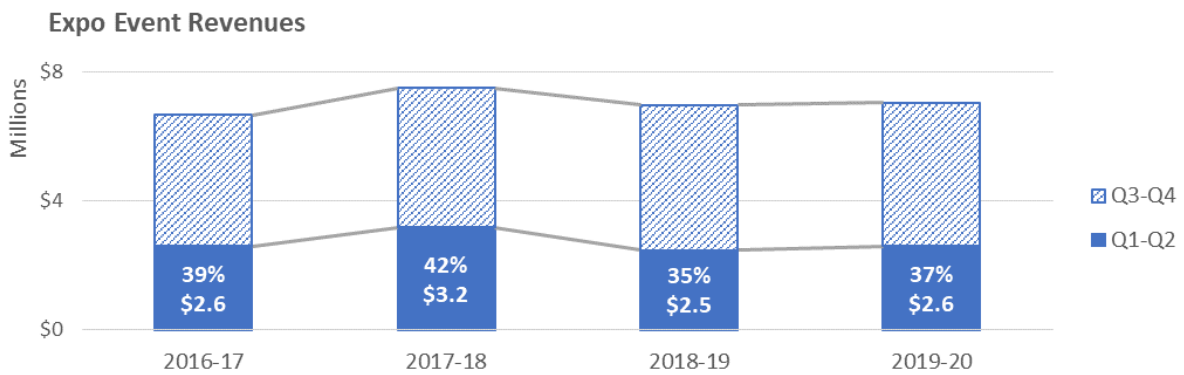
Portland Expo Center Quarterly Update

The first half of the year at the Portland Expo Center is ahead of budgeted revenue by \$131k, 2%, and \$125k ahead of prior year, 5%. The food and beverage margin is slightly negative as revenues have not surpassed the breakeven point. The third quarter is the busiest at Expo and should turn the food and beverage margin around, however it is expected to be short of the gross revenue and margin goals this year.

Operating expenses are currently at 39% of annual budget, consistent with the spending rate in the prior year. Event driven expenses will pick up in the busy third quarter.

Significant events in the first half of the year include America’s Largest Christmas Bazaar, the Fall RV Show of Shows, the Fall RV and Van Show, and America’s Largest Antique and Collectible Show.

Expo is in progress on the Expo website update. Additionally, Expo is busy planning for some significant projects, including the Lower Parking Lot 1 Improvements, Hall E Flat Roofs, Hall C Structural Repairs, and a Lighting Control Review and Install.



Oregon Convention Center

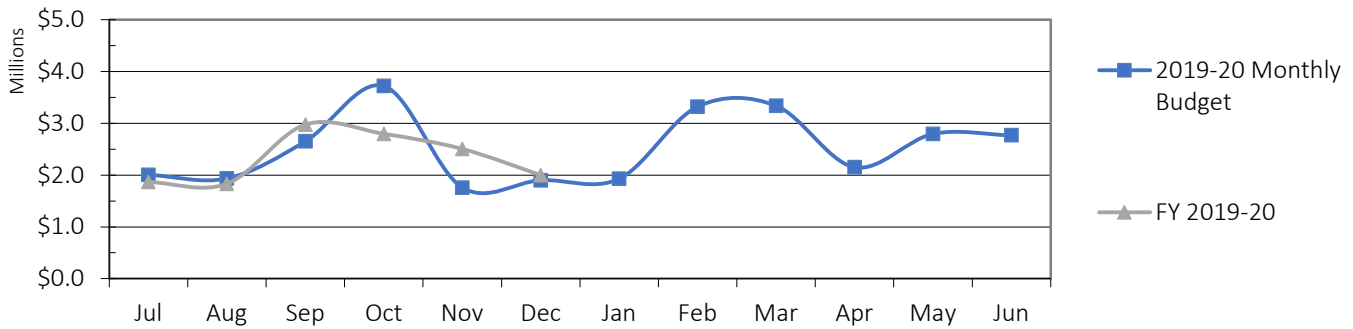
December is a slower month at the Convention Center, but revenues performed slightly better than projected. December event revenues were just over \$2 million, driven by the Festival of Trees and NeighborWorks Training Institute. Food and beverage had over \$1.1 million in revenue. The December F&B margin was 1%, however the YTD margin is 19%. Historically, December F&B margins have been low at the Convention Center; December 2016, December 2017, and December 2018 all had negative margins. YTD event revenues are at 46% of the annual budget. Operating expenses are at 43% of the annual budget.

	2019-20		3-year average		Food & Beverage		
	Events	Attendance	Events	Attendance	Revenue	Margin \$	Margin %
December	45	60,000	36	40,000	December	\$1,104,000	\$10,000 1%
YTD	250	305,000	252	265,000	YTD	7,706,000	1,469,000 19%
					Budget	16,341,000	3,629,000 22%

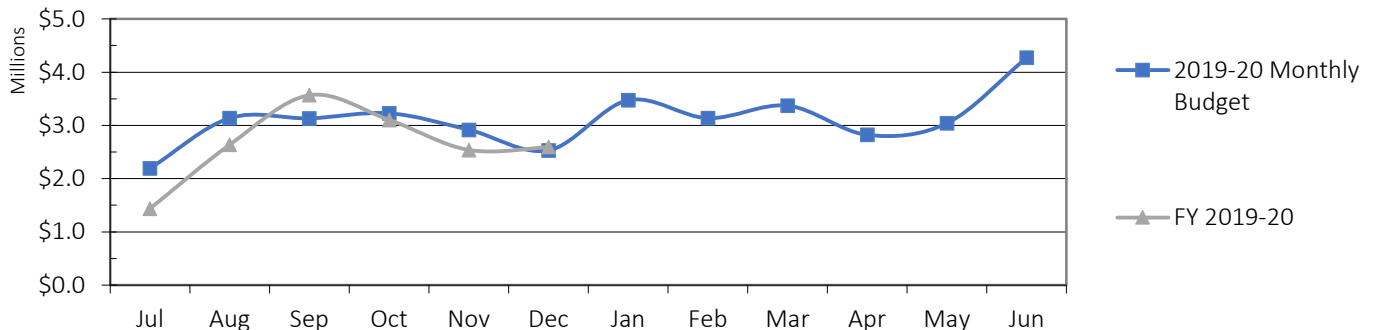
Highest Grossing Events	Current Month* Event Revenue	% of Event Revenue
Festival of Trees 2019	346,540	17%
NeighborWorks Training Institute	317,075	16%
Marquis and Consonus – Employee Holiday Party	211,363	11%
Oregon Leadership Summit 2019	114,253	6%
All Other Events	1,018,960	51%
Total Event Revenues	\$2,008,190	100%

*Note: If an event spans multiple months only revenue from the current month is shown here.

OCC Event Revenues: Charges for Services and Food & Beverage



OCC Operating Expenses: Personnel, Materials & Services and Food & Beverage



Portland’s Centers for the Arts

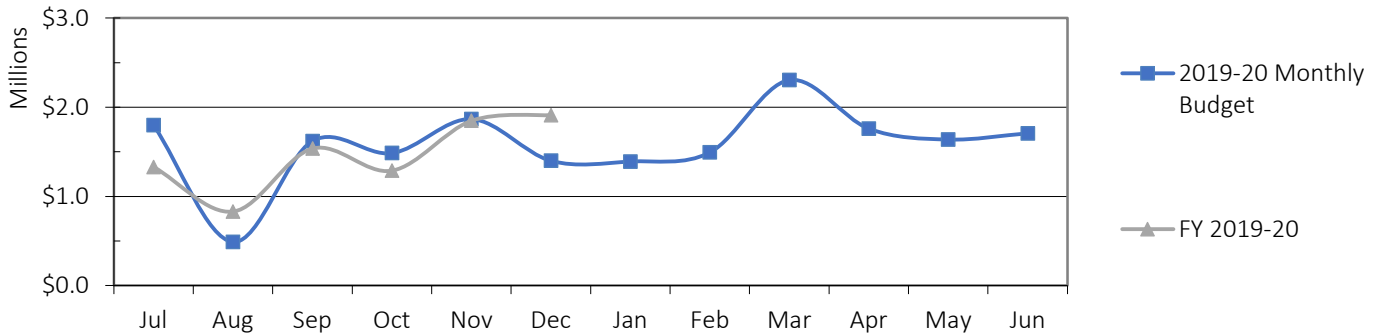
Portland’s had a strong December, with monthly event revenues of over \$1.9 million, driven by a run of the Nutcracker, several performances of John Oliver, and sales for upcoming Broadway tours. Food and beverage had a very strong month with \$441 thousand in revenue. The December F&B margin was 32%. YTD event revenues are at 46% of the annual budget. Operating expenses are at 44% of the annual budget.

	2019-20		3-year average		Food & Beverage		
	Events	Attendance	Events	Attendance	Revenue	Margin \$	Margin %
December	92	110,000	92	110,000	\$441,000	\$143,000	32%
YTD	414	420,000	413	415,000	1,884,000	533,000	28%
Budget					3,803,000	1,000,000	26%

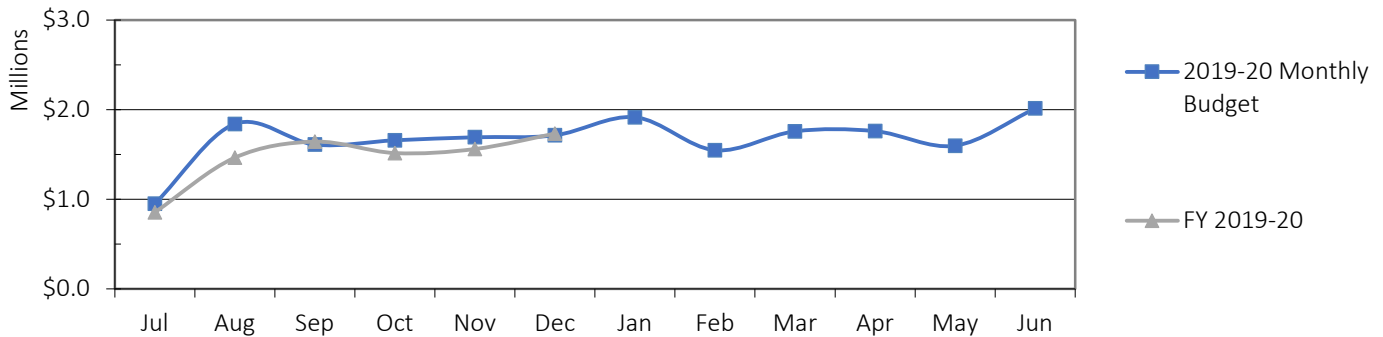
Highest Grossing Events	Current Month* Event Revenue	% of Event Revenue
The Nutcracker	\$329,096	17%
John Oliver	188,346	10%
Dear Evan Hansen	132,495	7%
Book of Mormon	108,035	6%
All other Events	1,149,224	60%
Total Event Revenues	\$1,907,195	100%

*Note: If an event spans multiple months only revenue from the current month is shown here.

P5 Event Revenues: Charges for Services and Food & Beverage



P5 Operating Expenses: Personnel, Materials & Services and Food & Beverage



Portland Expo Center

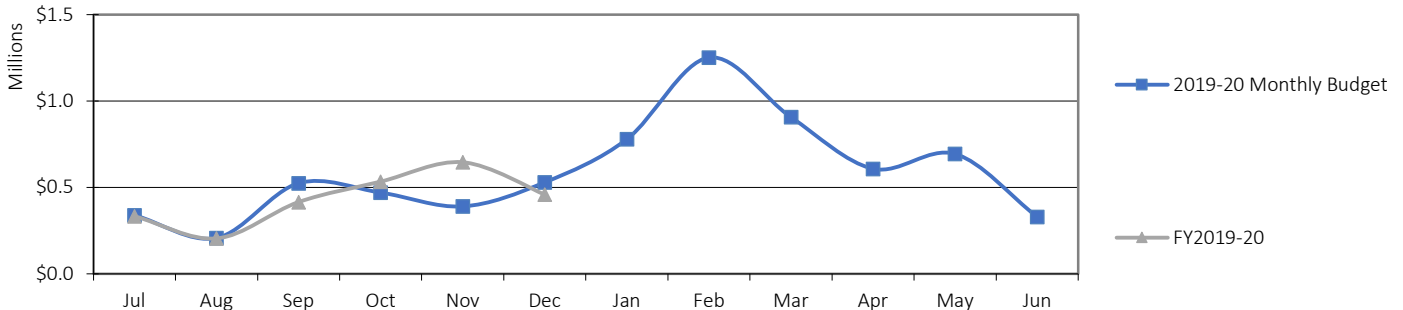
December event revenues exceeded \$450 thousand, driven by America’s Largest Christmas Bazaar, the Wells Fargo Bank Business Meeting, and the Red Cube concert. Food and beverage revenues were almost \$170 thousand. The December F&B margin was 17%. While the YTD margin is still negative that is not uncommon during the slower months, and is expected to improve in the third quarter. However, it is likely that Expo’s year-end margin will be more comparable to last year, 11%, rather than the 18% budgeted. YTD event revenues are at 37% of the annual budget. Operating expenses are at 40% of the annual budget.

	2019-20		3-year average		Food & Beverage		
	Events	Attendance	Events	Attendance	Revenue	Margin \$	Margin %
December	6	35,000	6	35,000	December	\$170,000	\$29,000 17%
YTD	66	145,000	55	160,000	YTD	667,000	-44,000 -7%
					Budget	2,252,000	403,000 18%

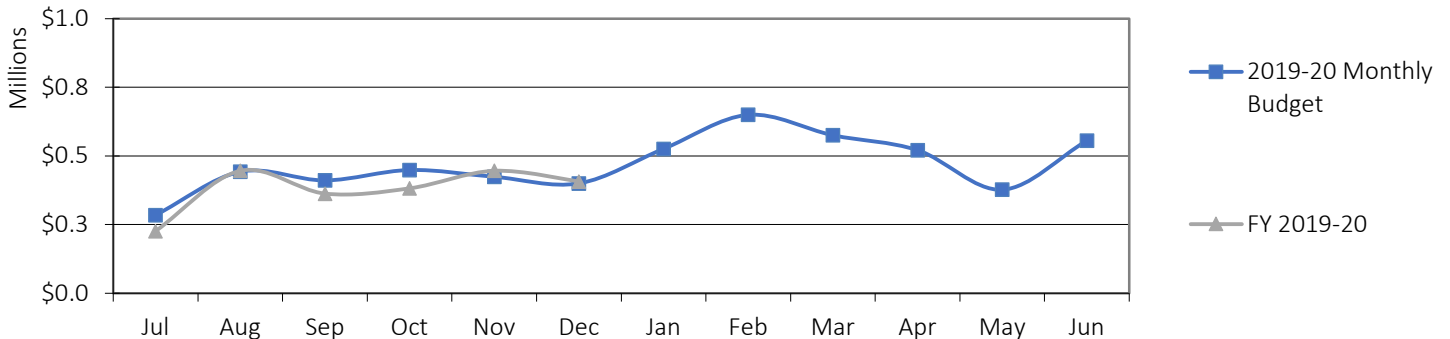
Highest Grossing Events	Current Month* Event Revenue	% of Event Revenue
America’s Largest Christmas Bazaar	\$244,698	54%
Wells Fargo Bank, National Association – Business Meetings	72,403	16%
Red Cube Productions – REZZ	65,634	14%
Varsity All Stars & All Things Cheer	53,277	12%
All other Events	21,004	5%
Total Event Revenues	\$457,017	100%

*Note: If an event spans multiple months only revenue from the current month is shown here.

Expo Event Revenues: Charges for Services and Food & Beverage



Expo Operating Expenses: Personnel, Materials & Services and Food & Beverage



MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Venues

December 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	2,406,745	2,653,053	15,155,111	15,057,141	99.4%	33,858,179	44.5%
Food and Beverage Revenue	1,172,492	1,715,373	10,616,627	10,256,802	96.6%	22,397,170	45.8%
Local Government Shared Revenues	3,349,109	2,889,784	10,384,561	9,852,316	94.9%	17,037,835	57.8%
Contributions from Governments	-	-	-	-		948,786	0.0%
Contributions from Private Sources	-	-	-	-		125,000	0.0%
Grants	-	42,152	-	47,352		-	
Interest Earnings	82,872	47,361	540,218	477,051	88.3%	660,000	72.3%
Miscellaneous Revenue	11,095	1,492	54,198	60,930	112.4%	140,478	43.4%
Transfers-R	106,699	110,807	640,193	664,841	103.9%	1,329,685	50.0%
Total Revenues	7,129,012	7,460,022	37,390,908	36,416,434	97.4%	76,497,133	47.6%
Personnel Services	1,715,741	1,838,867	9,947,503	10,592,614	106.5%	25,437,867	41.6%
Materials and Services	1,734,583	1,423,054	8,987,812	8,467,712	94.2%	21,442,878	39.5%
Food & Beverage Services	1,104,271	1,532,999	8,013,620	8,299,081	103.6%	17,365,031	47.8%
Management Fee	195,093	206,784	1,170,555	1,240,704	106.0%	2,481,407	50.0%
Transfers-E	487,583	542,856	4,574,384	4,210,835	92.1%	7,534,520	55.9%
Total Expenditures	5,237,270	5,544,560	32,693,874	32,810,945	100.4%	74,261,703	44.2%
Net Operations	1,891,742	1,915,462	4,697,034	3,605,488		2,235,430	
Food & Beverage Margin \$	68,221	182,373	2,603,007	1,957,721		5,032,139	
Food & Beverage Margin %	6%	11%	25%	19%		22%	
Capital							
Total Revenues	765,875	-	765,875	40,000	5.2%	11,434,540	0.3%
Total Expenditures	1,873,872	1,523,247	9,031,733	14,767,954	163.5%	29,710,862	49.7%
Net Capital	(1,107,997)	(1,523,247)	(8,265,859)	(14,727,954)		(18,276,322)	
Change in Fund Balance	783,745	392,215	(3,568,824)	(11,122,465)		(16,040,892)	
Ending Fund Balance			58,244,245	32,200,801			

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Oregon Convention Center

December 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	552,944	894,170	6,553,108	6,268,807	95.7%	13,932,018	45.0%
Food and Beverage Revenue	685,970	1,104,384	8,198,107	7,705,602	94.0%	16,341,351	47.2%
Local Government Shared Revenues	2,995,606	2,592,573	9,288,457	8,839,017	95.2%	14,877,000	59.4%
Grants	-	42,152	-	47,352	-	-	-
Interest Earnings	56,323	15,810	308,234	172,564	56.0%	200,000	86.3%
Miscellaneous Revenue	2,554	(9,294)	31,251	34,951	111.8%	17,828	196.0%
Total Revenues	4,293,396	4,639,797	24,379,158	23,068,293	94.6%	45,368,197	50.8%
Personnel Services	849,002	915,614	5,240,069	5,438,171	103.8%	13,151,217	41.4%
Materials and Services	976,116	585,243	4,467,825	4,205,529	94.1%	11,397,440	36.9%
Food & Beverage Services	701,154	1,094,275	6,032,567	6,237,040	103.4%	12,712,317	49.1%
Management Fee	156,487	164,307	938,920	985,842	105.0%	1,971,684	50.0%
Transfers-E	285,426	311,530	2,432,505	1,869,181	76.8%	3,738,349	50.0%
Total Expenditures	2,968,184	3,070,970	19,111,887	18,735,763	98.0%	42,971,007	43.6%
Net Operations	1,325,212	1,568,827	5,267,271	4,332,530		2,397,190	
Food & Beverage Margin \$	(15,184)	10,109	2,165,540	1,468,562		3,629,034	
Food & Beverage Margin %	-2%	1%	26%	19%		22%	
Capital							
Total Revenues	502,466	-	502,466	-	0.0%	6,759,359	0.0%
Total Expenditures	1,619,745	709,155	6,755,951	11,187,640	165.6%	18,889,350	59.2%
Net Capital	(1,117,279)	(709,155)	(6,253,485)	(11,187,640)		(12,129,991)	
Change in Fund Balance	207,933	859,671	(986,214)	(6,855,110)		(9,732,801)	
Ending Fund Balance			38,878,143	13,570,137			

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's Centers for the Arts

December 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	1,661,611	1,470,353	6,761,637	6,864,634	101.5%	15,148,714	45.3%
Food and Beverage Revenue	414,761	441,251	1,792,760	1,883,826	105.1%	3,803,468	49.5%
Local Government Shared Revenues	353,503	297,211	1,096,104	1,013,299	92.4%	2,160,835	46.9%
Contributions from Governments	-	-	-	-		948,786	0.0%
Contributions from Private Sources	-	-	-	-		125,000	0.0%
Interest Earnings	12,594	18,685	153,684	201,904	131.4%	237,500	85.0%
Miscellaneous Revenue	4,044	2,988	11,571	9,684	83.7%	80,650	12.0%
Transfers-R	-	-	-	-		-	
Total Revenues	2,446,512	2,230,488	9,815,756	9,973,348	101.6%	22,504,953	44.3%
Personnel Services	678,004	731,167	3,603,665	4,006,362	111.2%	9,416,654	42.5%
Materials and Services	644,573	703,487	3,769,307	3,411,871	90.5%	7,917,509	43.1%
Food & Beverage Services	288,353	298,466	1,305,474	1,350,568	103.5%	2,803,246	48.2%
Transfers-E	137,260	160,869	823,562	965,211	117.2%	1,930,419	50.0%
Total Expenditures	1,748,191	1,893,988	9,502,008	9,734,013	102.4%	22,067,828	44.1%
Net Operations	698,322	336,500	313,748	239,335		437,125	
Food & Beverage Margin \$	126,408	142,785	487,286	533,258		1,000,222	
Food & Beverage Margin %	30%	32%	27%	28%		26%	
Capital							
Total Revenues	142,795	-	142,795	-	0.0%	3,500,000	0.0%
Total Expenditures	119,974	799,191	1,624,204	3,534,813	217.6%	9,331,338	37.9%
Net Capital	22,821	(799,191)	(1,481,408)	(3,534,813)		(5,831,338)	
Change in Fund Balance	721,143	(462,691)	(1,167,660)	(3,295,478)		(5,394,213)	
Ending Fund Balance			10,937,185	9,736,168			

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland Expo Center

December 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Charges for Services	192,191	288,529	1,840,366	1,923,701	104.5%	4,777,447	40.3%
Food and Beverage Revenue	71,762	169,737	625,760	667,373	106.7%	2,252,351	29.6%
Interest Earnings	4,209	4,051	26,664	33,763	126.6%	62,500	54.0%
Miscellaneous Revenue	4,497	7,798	11,376	16,295	143.2%	42,000	38.8%
Transfers-R	33,333	33,333	199,998	199,998	100.0%	400,000	50.0%
Total Revenues	305,992	503,448	2,704,163	2,841,131	105.1%	7,534,298	37.7%
Personnel Services	135,543	149,416	785,079	893,117	113.8%	2,174,718	41.1%
Materials and Services	97,475	117,174	618,592	665,411	107.6%	1,590,904	41.8%
Food & Beverage Services	114,764	140,258	675,579	711,473	105.3%	1,849,468	38.5%
Management Fee	38,606	42,477	231,635	254,862	110.0%	509,723	50.0%
Transfers-E	57,814	58,029	1,280,709	1,301,374	101.6%	1,716,121	75.8%
Total Expenditures	444,202	507,354	3,591,595	3,826,237	106.5%	7,840,934	48.8%
Net Operations	(138,210)	(3,905)	(887,432)	(985,106)		(306,636)	
Food & Beverage Margin \$	(43,002)	29,480	(49,819)	(44,100)		402,883	
Food & Beverage Margin %	-60%	17%	-8%	-7%		18%	
Capital							
Total Revenues	120,614	-	120,614	40,000	33.2%	1,175,181	3.4%
Total Expenditures	134,153	14,901	651,578	45,501	7.0%	1,490,174	3.1%
Net Capital	(13,539)	(14,901)	(530,965)	(5,501)		(314,993)	
Change in Fund Balance	(151,749)	(18,806)	(1,418,396)	(990,607)		(621,629)	
Ending Fund Balance			1,820,796	2,328,247			

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

MERC Administration

December 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date Actuals	% of Prior Year to Date	Current Year Budget	% of Annual Budget
Operations							
Grants	-	-	-	-	-	-	-
Interest Earnings	9,746	8,815	51,636	68,820	133.3%	160,000	43.0%
Transfers-R	73,366	77,474	440,195	464,843	105.6%	929,685	50.0%
Total Revenues	83,112	86,289	491,831	533,663	108.5%	1,089,685	49.0%
Personnel Services	53,192	42,670	318,689	254,964	80.0%	695,278	36.7%
Materials and Services	16,419	17,150	132,087	184,901	140.0%	537,025	34.4%
Transfers-E	7,083	12,428	37,608	75,068	199.6%	149,631	50.2%
Total Expenditures	76,693	72,248	488,384	514,933	105.4%	1,381,934	37.3%
Net Operations	6,418	14,041	3,447	18,730		(292,249)	
Capital							
Total Revenues	-	-	-	-			
Change in Fund Balance	6,418	14,041	3,447	18,730		(292,249)	
Ending Fund Balance			6,608,122	6,566,249			

MERC Food and Beverage Margins

December 2019

	Prior Year Month Actual	Current Month Actual	Prior Year to Date Actual	Current Year to Date	Annual Budget
Convention Center Operating Fund					
Food and Beverage Revenue	685,970	1,104,384	8,198,107	7,705,602	16,341,351
Food & Beverage Services	701,154	1,094,275	6,032,567	6,237,040	12,712,317
Food and Beverage Gross Margin	(15,184)	10,109	2,165,540	1,468,562	3,629,034
Food and Beverage Gross Margin %	-2.21%	0.92%	26.42%	19.06%	22.21%
Portland'5 Centers for the Arts Fund					
Food and Beverage Revenue	414,761	441,251	1,792,760	1,883,826	3,803,468
Food & Beverage Services	288,353	298,466	1,305,474	1,350,568	2,803,246
Food and Beverage Gross Margin	126,408	142,785	487,286	533,258	1,000,222
Food and Beverage Gross Margin %	30.48%	32.36%	27.18%	28.31%	26.30%
Expo Fund					
Food and Beverage Revenue	71,762	169,737	625,760	667,373	2,252,351
Food & Beverage Services	114,764	140,258	675,579	711,473	1,849,468
Food and Beverage Gross Margin	(43,002)	29,480	(49,819)	(44,100)	402,883
Food and Beverage Gross Margin %	-59.92%	17.37%	-7.96%	-6.61%	17.89%
MERC Fund Total					
Food and Beverage Revenue	1,172,492	1,715,373	10,616,627	10,256,802	22,397,170
Food & Beverage Services	1,104,271	1,532,999	8,013,620	8,299,081	17,365,031
Food and Beverage Gross Margin	68,221	182,373	2,603,007	1,957,721	5,032,139
Food and Beverage Gross Margin %	5.82%	10.63%	24.52%	19.09%	22.47%

**MERC Visitor Venues
Events-Performances-Attendance
FY 2019-20**

OCC	December 2016		December 2017		December 2018		December 2019		Net Change from Prior Year		December 2019	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Tradeshows/Conventions	6	6,352	5	6,072	4	2,338	6	9,850	2	7,512	643,855	50%
Consumer Public Shows	4	27,978	2	22,855	4	29,571	4	40,531	-	10,960	24,598	2%
Miscellaneous							-	-	-	-	9,414	1%
Miscellaneous -In-House	7	458	18	424	11	895	18	702	7	(193)	24,123	2%
Meetings	9	2,078	13	3,057	6	1,790	7	1,766	1	(24)	75,466	6%
Catering	6	4,177	7	4,819	6	4,570	10	4,759	4	189	516,864	40%
Totals	32	41,043	45	37,227	31	39,164	45	57,608	14	18,444	1,294,320	100%

Expo Center	December 2016		December 2017		December 2018		December 2019		Net Change from Prior Year		December 2019	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Consumer Public Shows	3	32,888	3	32,689	3	31,457	3	30,035	-	(1,422)	250,987	55%
<i>Cirque Du Soleil</i>	-	-	-	-	-	-	-	-	-	-	-	0%
Miscellaneous	1	596	3	3,075	2	1,854	2	5,360	-	3,506	131,573	29%
Meetings	1	26	1	15	-	-	1	1,000	1	1,000	73,727	16%
Catering	-	-	-	-	-	-	-	-	-	-	-	0%
Tradeshows/Conventions	-	-	-	-	-	-	-	-	-	-	-	0%
Totals	5	33,510	7	35,779	5	33,311	6	36,395	1	3,084	456,287	100%
Totals w/Cirque du Soleil	5	33,510	7	35,779	5	33,311	6	36,395	1	3,084	456,287	100%

Portland '5	December 2016		December 2017		December 2018		December 2019		Net Change from Prior Year		December 2019	
	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Revenue	% of Rev.
Commercial (Non-Broadway)	31	17,113	23	25,402	8	7,629	9	19,612	1	11,983	413,306	22%
Broadway	3	6,662	-	-	-	-	-	-	-	-	323,738	17%
Resident Company	32	64,268	33	70,000	38	78,675	36	73,322	(2)	(5,353)	699,120	37%
Non-Profit	30	13,794	24	15,120	43	21,867	42	15,267	(1)	(6,600)	259,138	14%
Promoted/Co-Promoted	4	2,855	2	1,955	2	206	3	1,210	1	1,004	102,226	5%
Student	-	-	-	-	-	-	-	-	-	-	-	0%
Miscellaneous	-	-	1	50	2	220	2	250	-	30	70,541	4%
Totals	100	104,692	83	112,527	93	108,597	92	109,661	(1)	1,064	1,868,069	100%

OCC Capital Project Status Report FY 2019-20

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete

Project Title	Management	Phase	Budget	Actual	Remaining
Master Plan Renovation	CPMO	In Progress	8,960,000	7,725,336	1,234,664
Chair Replacement	Venue	Complete	2,800,000	2,281,956	518,044
Orbit Café Improvements	CPMO	In Progress	852,000	235,324	616,676
Dragon Café HVAC & Space Mods	CPMO	In Progress	655,000	221,376	433,624
Tower/Crown Glazing	CPMO	Design	500,000	9,410	490,590
Audio Visual Equipment	Venue	In Progress	450,000	355,164	94,836
Audio Visual Equipment	Venue	In Progress	-	51,152	(51,152)
Waterproofing: Rain Garden	CPMO	In Progress	380,000	3,389	376,611
Table Replacement	Venue	Planning	375,000	-	375,000
Water Heater Replacement	CPMO	Cancelled	350,000	-	350,000
VT: Elevator Door & Operator Rplc	Venue	Planning	350,000	-	350,000
Staff Supp Area: King BR/Admin Lobby	CPMO	Design	300,000	-	300,000
Door Access Controls (phase 2)	CPMO	Planning	250,000	-	250,000
Guest Services Renovation	CPMO	Design	230,000	-	230,000
OCC - Lighting Control System	CPMO	Complete	200,000	207,403	(7,403)
Prefunction A and C Restroom Reno	CPMO	Design	195,000	22,561	172,439
VT: Elevator Modernizations (#3,11)	Venue	In Progress	150,000	90,137	59,864
Mass Notification	ISPMO	Planning	150,000	-	150,000
Staff Support Area	CPMO	Design	147,000	122,815	24,185
VIP B Renovation	CPMO	Design	120,000	-	120,000
OCC - WiFi & Show Network Upgrades	Venue	In Progress	120,000	62,674	57,326
Parking Pay St Signage/Elevator lobby	Venue	Planning	100,000	-	100,000
ADA Assessment and Improvements	Venue	Planning	100,000	-	100,000
Lobby Lighting Retrofit	CPMO	Planning	80,000	12,108	67,892
VT: Escalator Safety Skirt Brush	Venue	In Progress	65,000	40,962	24,038
Waterproofing: SW Ext & Egress Doors	CPMO	Planning	60,000	-	60,000
<i>Costs related to projects budgeted in FY 2018-19</i>					
Cooling System Rplcmnt	CPMO	Complete	-	70,215	(70,215)
Waterproofing: Seismic Joint	CPMO	Complete	-	199,484	(199,484)
Integrated Door Access Controls	CPMO	Complete	-	25,258	(25,258)
Total			17,939,000	11,736,724	6,202,276
% of Budget				65%	35%

Project Phase Totals	# of Proj	% of Total
Projects in Planning or Design phases	14	48%
Projects in Contracting or Construction/In Progress phases	9	31%
Completed Projects	5	17%
On-hold or Cancelled Projects	1	3%
	29	

P5 Capital Project Status Report FY 2019-20

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete

Project Title	Management	Phase	Budget	Actual	Remaining
AHH Roof	CPMO	In Progress	3,010,000	1,854,643	1,155,357
KA Chiller	CPMO	In Progress	2,188,000	1,013,910	1,174,090
ASCH Acoustical Enhancements	CPMO	In Progress	1,800,000	177,306	1,622,694
ASCH Broadway and Park Marquees	CPMO	Contracting	350,000	15,499	334,501
Keller café	CPMO	Design	329,000	6,075	322,925
Newmark Main Speakers	Venue	Design	275,000	-	275,000
KA Elevator Modernizations	CPMO	In Progress	250,000	-	250,000
KA Generator Fuel Storage	Venue	On Hold	200,000	-	200,000
ASCH Piano Replacement	Venue	Complete	200,000	167,485	32,515
Newmark Piano Replacement	Venue	Complete	150,000	145,139	4,861
Headset Upgrade (KA, NMK, W)	Venue	Planning	110,000	-	110,000
ASCH Sound Reinforcement System	Venue	Design	100,000	3,600	96,400
AHH/ASCH/Keller ADA Project	Venue	Planning	50,000	-	50,000
<i>Costs related to projects budgeted in FY 2018-19</i>					
Keller Follow Spots	Venue	Complete	-	32,369	(32,369)
KA Camera/Security System	CPMO	Complete	-	14,321	(14,321)
Total			9,012,000	3,430,346	5,595,975
% of Budget				38%	62%

Project Phase Totals	# of Proj	% of Total
Projects in Planning or Design phases	5	33%
Projects in Contracting or Construction/In Progress phases	5	33%
Completed Projects	4	27%
On-hold or Cancelled Projects	1	7%
	15	

Expo Capital Project Status Report FY 2019-20

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete

Project Title	Management	Phase	Budget	Actual	Remaining
Lower Parking lot 1 Improvements	CPMO	Design	300,000	12,655	287,345
Hall C Structural Repairs	Venue	Planning	200,000	2,669	197,331
Lighting and Control review/install - Halls ABCDE	CPMO	Planning	161,000	-	161,000
Hall E Flat Roofs	CPMO	Planning	150,000	-	150,000
Expo Website Update	Venue	In Progress	100,000	9,750	90,250
ADA Compliance Assessment	Venue	Planning	100,000	-	100,000
Facility Wide Door review / install / security	Venue	In Progress	50,000	-	50,000
Main Entry Improvements	Venue	Planning	35,000	-	35,000
Campus Master Plan	Venue	On Hold	20,000	-	20,000
<i>Costs related to projects budgeted in FY 2018-19</i>					
Audio Visual Equipment (FY19)	Venue	Complete	-	948	(948)
Security Gates and Fencing	Venue	Complete	-	2,521	(2,521)
Aramark Point of Sale System Replacement	ISPMO	Complete	-	3,942	(3,942)
Facility Equipment (FY19)	Venue	Complete	-	1,204	(1,204)
Total			1,116,000	33,688	1,082,312
% of Budget				3%	97%

Project Phase Totals	# of Proj	% of Total
Projects in Planning or Design phases	6	46%
Projects in Contracting or Construction/In Progress phases	2	15%
Completed Projects	4	31%
On-hold or Cancelled Projects	1	8%
	13	

Upcoming Large Contract Opportunities

Opportunity: OCC Staff Space Renovation CM/GC

Estimated Value: \$2.5 million

- 1) Renovation of OCC staff space to efficiently and equitably address growing staff, align work groups and prioritize needs. Four areas were identified as top priorities for renovation:
 - a. River Room – this unoccupied area in the building will be renovated into offices to provide space relief to growing staff population, as well as a new, secure “staff only” building entrance separate from public lobbies
 - b. North Holladay Office – these offices will be renovated to increase workplace density, security, improve HVAC and circulation
 - c. Guest Services – in addition to renovating offices to meet new density and quality standards, this phase of work will include public guest amenities in a new highly-visible reception, business center and public safety hub at the MLK lobby
 - d. King Boardroom – this phase of work addresses the relocation of building reception to the new Guest Services Hub by reconfiguring the former reception/entry to King Boardroom, adding a vestibule and prioritizing secure access to administration areas
- 2) This work will be solicited as a Request for Proposal (RFP) with a Construction Manager/General Contractor (CM/GC) contract award at the conclusion. The contract period will be two and the estimated value is \$2.5 million.
- 3) The current proposed timeline includes:
 - a. Prepare RFP language: now through end of February 2020
 - b. Publish RFP and advertise: end of February 2020
 - c. Award Contract: mid-May 2020
- 4) Advertisement and Outreach:
 - d. Advertisement
 - i. Metro Procurement Services will post the RFP on the Oregon Procurement Information Network (ORPIN), and will advertise in Portland Tribune and one minority paper.
 - e. Planned Outreach
 - i. Direct notification of the opportunity to organizations, including:
 - 1) Oregon Association of Minority Entrepreneurs (OAME);
 - 2) Metropolitan Contractor Improvement Partnership (MCIP); and
 - 3) National Association of Minority Contractors (NAMC)
 - ii. Direct notification of the opportunity to firms on Oregon’s Certification Office for Business Inclusion and Diversity (COBID) registry, including:
 - 1) Minority Business Enterprise (MBE);
 - 2) Women Business Enterprise (WBE);
 - 3) Service Disabled Veteran (SDV); and
 - 4) Emerging Small Business (ESB)

- iii. Notification to firms who have contacted Metro/MERC in the last 12 months and notified of their interest in providing construction services.
 - iv. Metro outreach events, such as small business open house hosted at the Oregon Convention Center on February 26.
- 5) Bids received will be evaluated based on criteria outlined in the RFP, including Subcontractor Equity Program procedures. The award is based on the highest-ranked proposer.

MERC Commission Meeting

February 5, 2020
12:30 pm

Consent Agenda

Metropolitan Exposition Recreation Commission

Record of MERC Commission Actions

January 8, 2020

Portland 5 Centers for the Arts

Brunish Theatre

Present:	Karis Stoudamire-Phillips, John Erickson (call-in), Damien Hall, Deidra Krys-Rusoff, Ray Leary, Dañel Malán, Deanna Palm
Absent:	none
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order by Commissioner Krys-Rusoff at 12:36 p.m.
1.0	Quorum Confirmed A quorum of Commissioners was present.
2.0	Opportunity for Public Comment on Non-Agenda items <ul style="list-style-type: none">• None
3.0	Commission and Council Communications <ul style="list-style-type: none">• Commissioner Malán shared that the play Huínca is opening this Friday at Milagro.• Commissioner Erickson shared that he was excited to see the completed hotel and the OCC renovation while visiting over the holidays, and he looks forward to returning to Portland next month.• Commissioner Leary shared that the National Association of Minority Contractors (NAMC) honored our efforts at Metro with an award for the OCC remodel. He thanked Metro staff for their work on the project and noted that the President of TriMet offered a 60 million contract to an African American firm based on the outstanding job that was done at OCC.• Councilor Lewis shared:<ul style="list-style-type: none">- Council has identified the first 3 out of 7 housing authorities that are solidifying their plans for execution on the 2018 housing bond.- Moving forward with prep for a potential 2020 ballot measure for regional transportation investment.- Considering Council priorities for 2020.
4.0	GM Communications Scott Cruickshank provided the following updates: <ul style="list-style-type: none">- Multnomah County has now approved the VFIGA update. Key to our venues; Significant increase in VDF funds (\$1.6 to \$2.5) for incentivizing conventions to come to Portland, staged increases for the P'5 bucket (currently \$775k), future bond for P'5 in 2024, and Expo now has a bucket of \$575,000. These changes are effective this fiscal year.- The next Expo Development Opportunity Study Stakeholder Engagement Event will be held on Jan 9th, 9am to noon at Expo. This event will be facilitated by Cascadia Partners and will be an opportunity to share the values and history of Expo.- Hyatt Regency Portland at the Oregon Convention Center Grand Opening celebration is Jan 9 at 6pm. The invite was sent to MERC with a RSVP link, or you can reach out to Amy for assistance.- The Wave public launch will be held on January 15 at the Seattle Aquarium. Scott Cruickshank and Craig Stroud will be attending.• Commissioner Hall requested an updated chart of the VFIGA bucket system (Pac Man chart).
5.0	Financial Report Annie Wilson presented the November 2019 Financial Report. <ul style="list-style-type: none">• Commissioner Krys-Rusoff asked about the MERC statement of activity with the annual budget. She voiced concerns around the revenues shortfall of 1 mil less than last year. Annie responded that it could be related to the timing of some shows and agreed to look into the numbers further and provide and update.

	<ul style="list-style-type: none"> Commissioner Leary asked if there was an assessment of the potential future volatility within the economy, and if there are any plans to address future unknowns. Annie responded that they are taking this into account as they move into the budget season. It is hard determine what and when changes might occur but they have done analysis of past recessions and how they affected our businesses. Commissioner Leary requested an assessment update to be delivered to MERC on a quarterly basis.
6.0	<p>Venue Business Reports Robyn Williams, Craig Stroud and Matthew P. Rotchford reported on business at the venues during the past month.</p> <ul style="list-style-type: none"> Commissioner Krys-Rusoff asked if they might see another wave of media attention after the Hyatt opening. Craig answered likely not at the same level as the OCC renovation. Commissioner Leary commended Matthew for his leadership and focus on security when hosting the new client discussed in the report.
7.0	<p>Consent Agenda</p> <ul style="list-style-type: none"> Record of MERC Actions, November 6, 2019 <p>A motion was made by Commissioner Palm and seconded by Commissioner Krys-Rusoff to approve the Consent Agenda.</p> <p>VOTING: AYE: 7 (Stoudamire-Phillips, Krys-Rusoff, Erickson, Hall, Leary, Malán and Palm) NAY: 0 MOTION PASSED</p>
8.0	<p>Travel Portland Quarterly Report Steve Faulstick, Travel Portland</p> <ul style="list-style-type: none"> Commissioner Krys-Rusoff asked how many new hotel rooms have been added over the last year. Faulstick answered that from the end of 2015-2020 there has been a 40% increase in just downtown Portland. Commissioner Krys-Rusoff asked if the other hoteliers are concerned about the next month. Faulstick answered that they are likely concerned about the first quarter. Commissioner Krys-Rusoff noted that the last FAM event had an increase in hoteliers in attendance. Chair Stoudamire-Phillips requested confirmation of this year’s Executive Women’s Forum. Faulstick confirmed.
9.0	<p>Aramark Quarterly Report Dave Woodman, Diane Marshall</p> <ul style="list-style-type: none"> Commissioner Leary asked if a possible reason why the African American FOTA hires have not reached double digit percentage numbers is due to gentrification pushing the community further east. Marshall responded that when tracking began the FOTA boundaries were smaller and their numbers were lower. They had not yet established the partnerships with organizations within the area around the Convention Center. FOTA boundary expansion did help but she agreed gentrification has affected the numbers. Commissioner Palm asked if we will have the ability to review demographics in the FOTA area after the 2020 census and align that data with goal setting. Stoudamire-Phillips responded yes, as they used the most current census data when the boundaries were adjusted last time and emphasized that it should be a living document.
	As there was no further business to come before the Commission, the meeting was adjourned at 1:41. p.m.
	<p>Executive Session Chair Stoudamire-Phillips called the MERC Commission into Executive Session to consider information or records that are exempt by law from public inspection pursuant to ORS 192.660(2)(f).</p>

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Minutes submitted by Amy Nelson.

MERC Commission Meeting

February 5, 2020
12:30 pm

Action Agenda

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 20-01

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 Amended Budget for fiscal year 2019-20 that impact the CIP 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 and approves the requested changes to the CIP as described in the attached Staff Report.
2. MERC requests that the Metro COO present these amendments to the Adopted Budget and CIP to the Metro Council for ratification.

Passed by the Commission on February 5, 2020.

Approved as to Form:
Carrie MacLaren, Metro Attorney

Chair

Secretary/Treasurer

By: _____
Nathan A. S. Sykes, Deputy 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: 20-01

Presented By: Rachael Lembo, MERC Finance Manager

Date: February 5, 2020

Background and Analysis:

CIP Amendment – Oregon Convention Center

The following amendment is a new project for FY19-20:

- **Waterproofing: Loading Dock and PPL V**
 - In October 2019, water entered the vault room and shorted out the electrical bus duct servicing the Oregon Convention Center. This project will address waterproofing failures on the loading dock that are contributing to water intrusion into the Pacific Power transformer vault room below.
 - FY 2019-20 appropriation change—increase of \$200,000
 - Total project budget from \$0 to \$550,000.

FY 2019-20 CIP Budget Impact

Description	Project #	FY 19-20 Current Budget	Amendment	FY 19-20 Amended Budget	Total Budget
Waterproofing: Loading Dock and PPL V	OCCTBD	0	200,000	200,000	550,000
Contingency		8,367,199	(200,000)	8,167,199	
Net Amendment			0		

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

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 20-01.

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

Department: OCC								Prior Years	Total Project
ID	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total			
CONVENTION CENTER OPERATING FUND									
Master Plan Renovation	8R082	8,960,000	-	-	-	8,960,000	30,590,000	39,550,000	
Chair Replacement	8N073	2,800,000	-	-	-	2,800,000	-	2,800,000	
Orbit Café Improvements	8R208	852,000	-	-	-	852,000	-	852,000	
Dragon Café HVAC & Space Mods	8R188B	655,000	-	-	-	655,000	-	655,000	
Tower/Crown Glazing	8R222	500,000	160,000	-	-	660,000	40,000	700,000	
Audio Visual Equipment	8R118	450,000	150,000	150,000	150,000	1,050,000	-	1,050,000	
Table Replacement	8R244	375,000	-	-	-	375,000	-	375,000	
Vertical Transportation: Elevator Door & Operator Rplc	8R207C	350,000	-	-	-	350,000	-	350,000	
Vertical Transportation: Elevator Modernizations	8R207	150,000	-	-	-	150,000	375,000	525,000	
Vertical Transportation: Escalator Safety Skirt Brush	8R207B	65,000	-	-	-	65,000	-	65,000	
Water Heater Replacement	8R210	350,000	-	-	-	350,000	50,000	400,000	
Staff Support Area Programming: King BR/Admin Lobby	8R224A	300,000	450,000	-	-	750,000	-	750,000	
Staff Support Area Programming: Guest Services	8R224B	230,000	1,020,000	-	-	1,250,000	-	1,250,000	
Staff Support Area Programming: Design	8R224	147,000	-	-	-	147,000	-	147,000	
Integrated Door Access Controls (phase 2)	8N025B	250,000	-	-	-	250,000	-	250,000	
Waterproofing: Rain Garden	8R223C	250,000	-	-	-	250,000	60,000	310,000	
Waterproofing: Loading Dock and PPL V	OCCTBD9	200,000	350,000	-	-	550,000	-	550,000	
Lighting Control System	88174	200,000	-	-	-	200,000	2,055,000	2,255,000	
Prefunction A and C Restroom Renovations	8R246	195,000	2,600,000	-	-	2,795,000	-	2,795,000	
Mass Notification Consulting & Implementation	8N087	150,000	-	-	-	150,000	-	150,000	
Rain Garden Tree Replacement	8R209	130,000	-	-	-	130,000	-	130,000	
VIP B Renovation	8R245	120,000	1,000,000	-	-	1,120,000	-	1,120,000	
OCC - WiFi & Show Network Upgrades	8R226	120,000	130,000	130,000	130,000	640,000	-	640,000	
ADA Assessment and Improvements	8N086	100,000	-	-	-	100,000	-	100,000	
Parking Pay Station Signage/Elevator lobby Refresh	8R243	100,000	-	-	-	100,000	-	100,000	
Lobby Lighting Retrofit	8R242	80,000	600,000	-	-	680,000	-	680,000	
Waterproofing: SW Exterior & Egress Doors	8R223D	60,000	400,000	-	-	460,000	-	460,000	
CCTV Security Camera Replacement	OCCTBD8	-	500,000	-	-	500,000	-	500,000	
Vertical Transportation: Elevator Modernizations	8R207D	-	300,000	300,000	-	600,000	-	600,000	
Food & Beverage Prog: Planning & Design	OCCTBD8	-	300,000	-	-	300,000	-	300,000	
Security Console/Entrance area Renovation	OCCTBD7	-	230,000	1,400,000	-	1,630,000	-	1,630,000	
OCC - AV Audio System Upgrade	OCCTBD4	-	100,000	750,000	-	850,000	-	850,000	
Facility Security Hardening	OCCTBD8	-	80,000	300,000	-	380,000	-	380,000	
Interior Digital Signage Additions	OCCTBD7	-	75,000	1,000,000	-	1,075,000	-	1,075,000	
OCC - Crbrd Baler & Cnpy	8N067	-	75,000	350,000	-	425,000	-	425,000	
Exhibit Hall Sound Panel Replacement	OCCTBD7	-	65,000	650,000	-	715,000	-	715,000	
Waterproofing: Miscellaneous	8R223E	-	60,000	300,000	-	360,000	-	360,000	
Waterproofing: Parking Garage Traffic Coating	8R223F	-	60,000	250,000	-	310,000	-	310,000	
OCC Cooling System phase II	8R188B	-	20,000	4,000,000	-	4,020,000	-	4,020,000	
Gingko Lane Renovation	OCCTBD7	-	-	750,000	5,000,000	5,750,000	-	5,750,000	
Exhibit Hall Restroom Renovation	OCCTBD7	-	-	224,000	1,700,000	1,924,000	-	1,924,000	
ABC Meeting Room Renovation	OCCTBD7	-	-	-	1,200,000	8,200,000	-	8,200,000	
DEF Meeting Rooms/Lobbies/Restrooms Renovation	OCCTBD7	-	-	-	-	1,200,000	-	1,200,000	
Holladay & 1st Ave Exterior Improvements	OCCTBD8	-	-	-	-	750,000	-	750,000	
Glass Tower Structural Reinforcement	OCCTBD6	-	-	-	-	100,000	-	100,000	
OCC - Boiler Replacement	OCCTBD2	-	-	-	-	100,000	-	100,000	
Exhibit Hall Lighting Retrofit	OCCTBD8	-	-	-	-	75,000	-	75,000	
Employee Locker Room Renovation	OCCTBD6	-	-	-	-	70,000	-	70,000	
Holladay Suites Renovation	OCCTBD7	-	-	-	-	60,000	-	60,000	
TOTAL		\$18,139,000	\$8,725,000	\$10,554,000	\$8,180,000	\$9,635,000	\$55,233,000	\$88,403,000	

MERC Commission Meeting

February 5, 2020
12:30 pm

Metro External Audit
Presentation

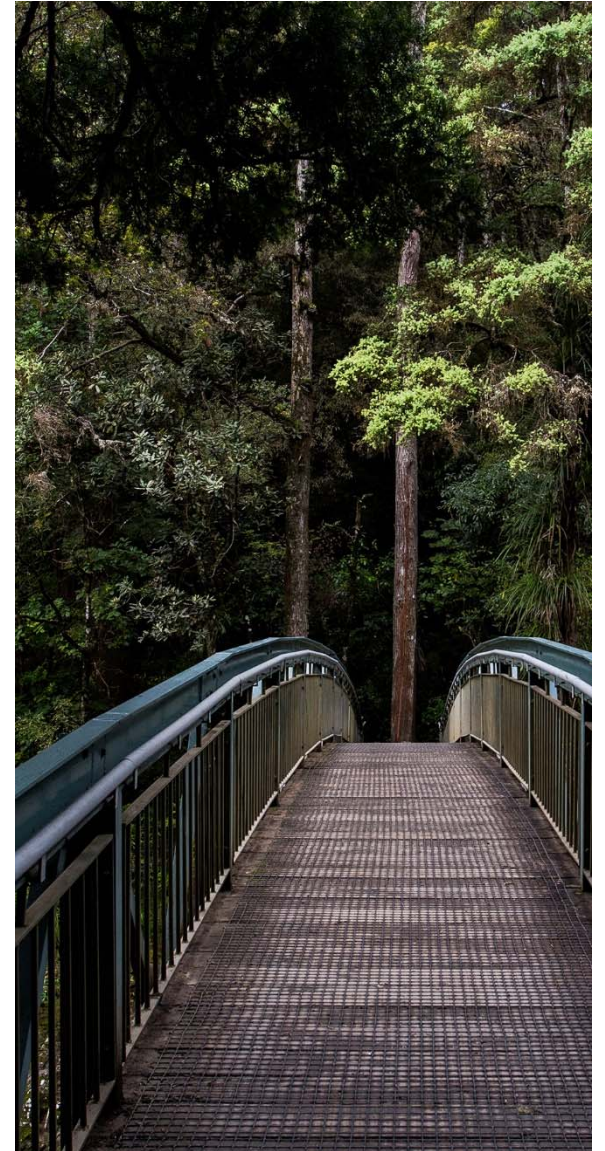


Agenda

1. Auditor Opinions and Reports
2. 2019 Highlights
3. Required Communication with Those Charged with Governance
4. Other Information



Auditor Opinions & Reports



Auditor Report on the Financial Statement

Report of Independent Auditors

- Unmodified opinion
- Financial statements are presented fairly in accordance with US GAAP



Other Auditor Reports – Single Audit



<p>GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters</p>	<ul style="list-style-type: none">• One significant deficiency over financial reporting identified<ul style="list-style-type: none">• 2019-001 – Capital Assets• No compliance findings
<p>Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Program and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200)</p>	<ul style="list-style-type: none">• No control findings• No compliance findings

Other Auditor Reports – Oregon Minimum Standards

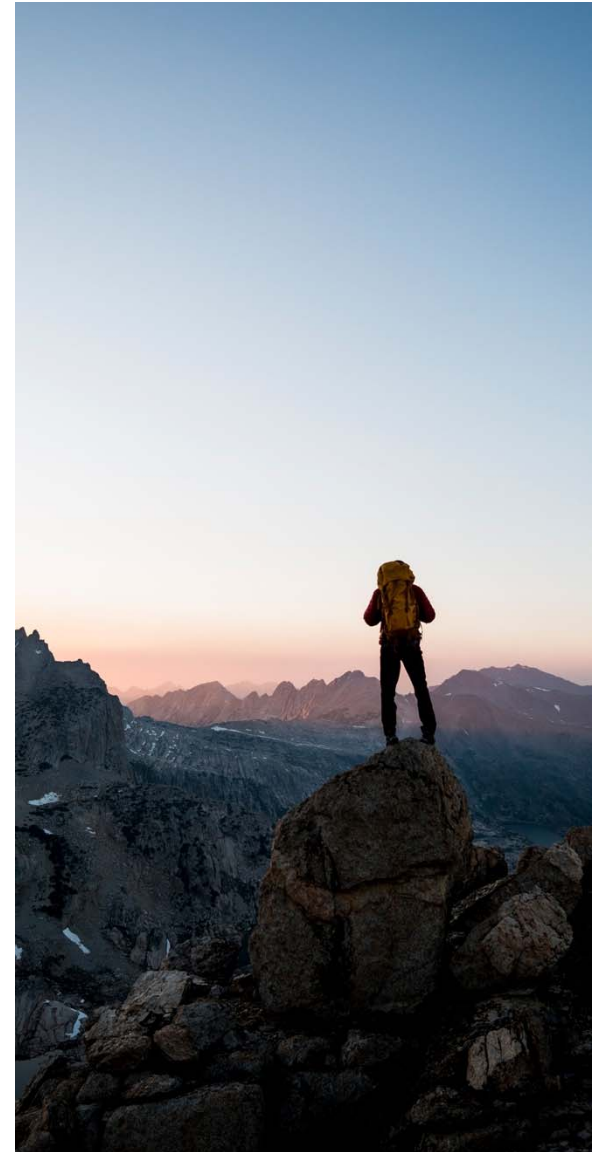
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Oregon Municipal Auditing Standards

- No control findings
- No instances of non-compliance



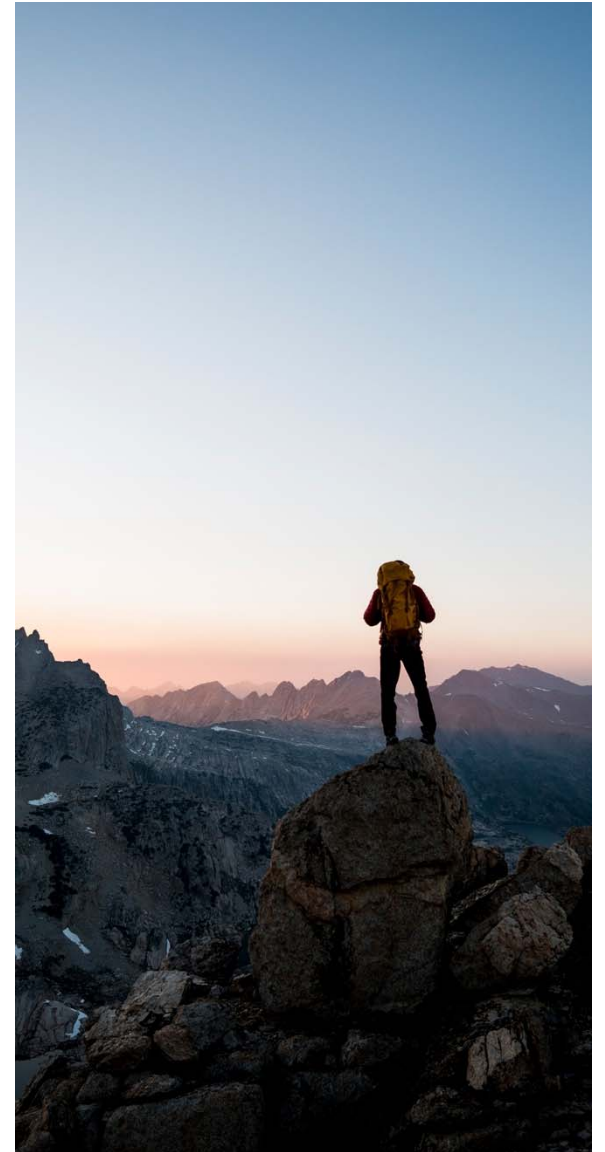


2019 Highlights





Communication with Those Charged with Governance



Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Audit Committee.

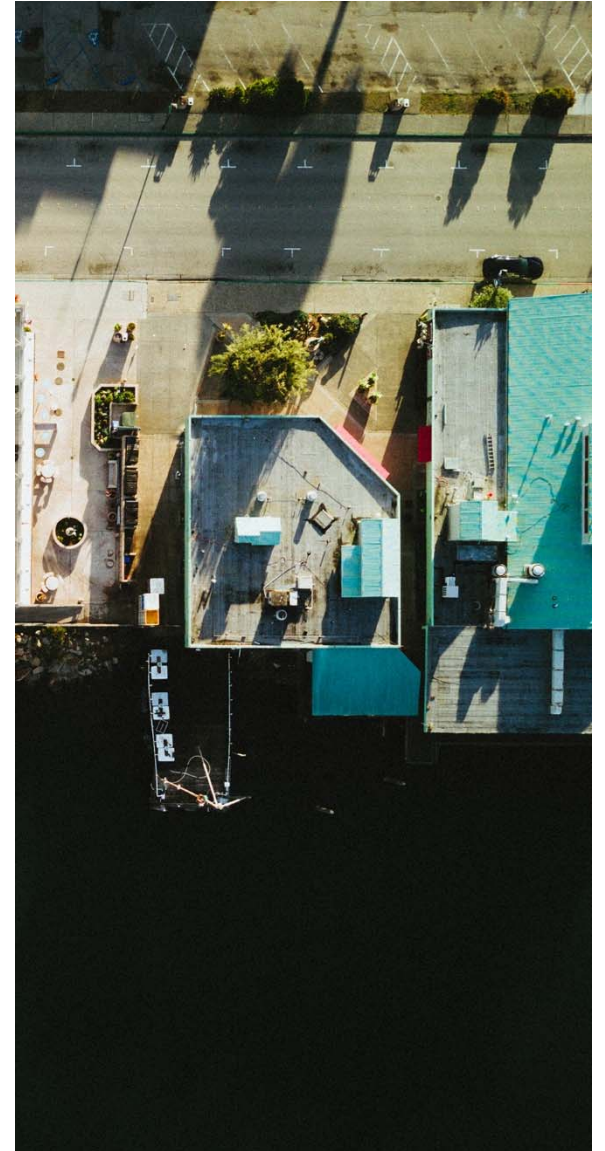
Our Comments

- **Material weakness**
 - None noted
- **Significant deficiencies & non-compliance**
 - Capital assets
- **Current year best practice recommendations**
 - Componentize capital assets (specific to MERC)
- **Prior year best practice recommendations**
 - Accounts receivable allowance (specific to MERC) – resolved
 - Purchasing card controls – resolved





Accounting Update





New Standards

GASB 84, Fiduciary Activities – effective for Metro’s 2020 year-end

Establishes standards of accounting and financial reporting for fiduciary activities.

GASB 87, Leases – effective for Metro’s 2021 year-end

Establishes standards of accounting and financial reporting for leases by lessees and lessors, and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 90, Majority Equity Interests – effective for Metro’s 2020 year-end

Establishes standards of accounting and financial reporting for majority equity interests.

GASB 91, Conduit Debt Obligations – effective for Metro’s 2022 year-end

Establishes standards for accounting and reporting of conduit debt obligations.

Contact Us



+ Ashley Osten

+

+

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**THANK
YOU**

MERC Commission Meeting

February 5, 2020
12:30 pm

Hyatt Regency Portland at
the Oregon Convention Center
Look Back and Success Stories



Metro

Metro Council: Hyatt Regency Portland at the Oregon Convention Center

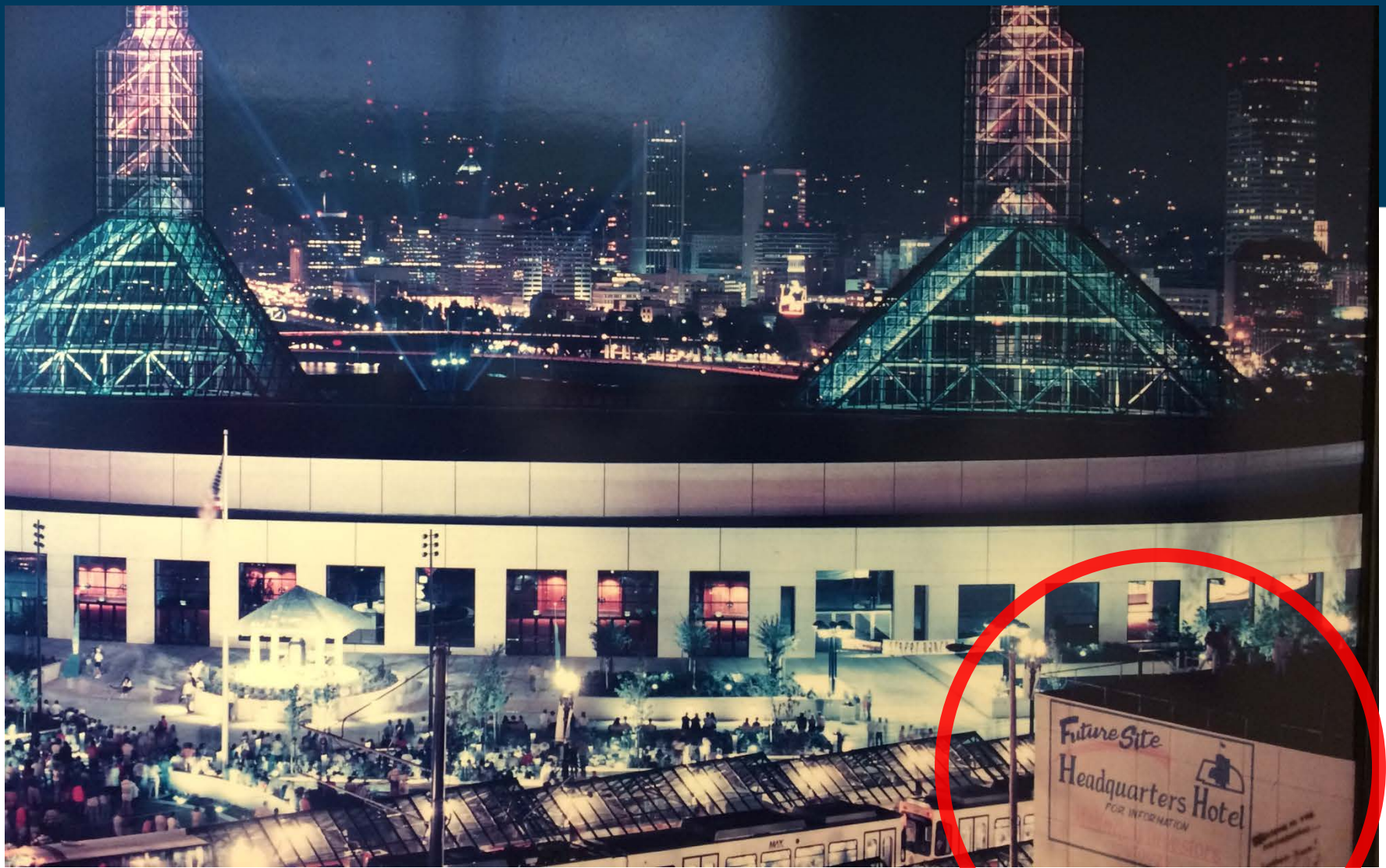
January 2020





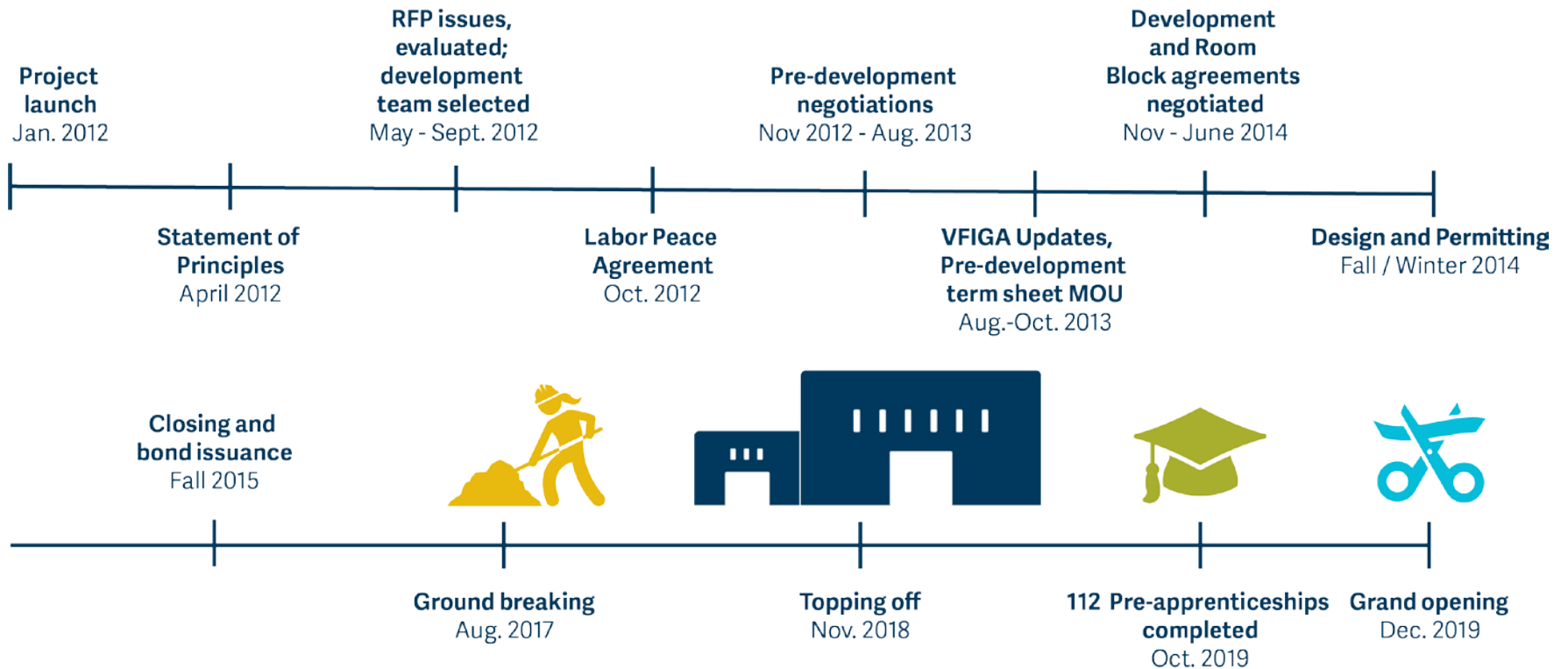
Goal 1 Maximize the regional job potential of the Oregon Convention Center.

Goal 1.1 **Recruit at least one headquarters hotel** in the immediate vicinity of the OCC to capitalize on the convention center's capacity.



Oregon Convention Center –
Grand Opening, September 1990.

Project Timeline



Project overview



- Hyatt Regency north of OCC
- Privately-owned and operated
- 600 rooms with ground floor restaurants & retail
- Extra ballroom and meeting spaces
- Block of 500 rooms in reserve for convention clients

Project benefits



- Support of state's tourism and local economy
- Commitment by partners to target hiring and contracting towards First Opportunity Target Area community and people of color
- Union construction jobs
- Green building and operational standards
- Community Construction Training Program Grants to diversify trades

Community Construction Training Program Overview



Mortenson Workforce Success



	Hours	Percent
Apprenticeship	205,555	27.3%
People of color	211,016	28%
Female	56,509	7.5%

Mortenson COBID Contracting



	Contracted to COBID firms	Percent of direct construction costs
COBID	~\$30 million	28.8%

Forecasted and realized outcomes



Travel Portland sales team saw a 43.2% increase in OCC group room nights booked across all Portland hotels over the previous year.

	Forecast	Actuals
Increase in midsized conventions	5 – 10 per year	24 in first three years
Increase in room nights	70,000 – 110,000	376,314 in first three years (46,314 more than the highest projected!!)
LEED Certification	Silver	Gold (Exceeded goal)

Hyatt Regency Portland at the Oregon Convention Center Hiring Success



- ~ ½ of 120 non-management from First Opportunity Target Areas
- 130 more hires in the next 4 months
- UNITE HERE and Hyatt – first ever labor peace agreement

Project Costs

PROJECT COSTS	2012	2014	2019
Revenue bond	\$60 M	\$60 M	\$60 M
Metro (OCC Reserves)	\$4 M	\$4 M	\$4 M
State lottery funds	\$10 M	\$10 M	\$10 M
Mortenson	\$116 M	\$138 M	\$171 M
TOTAL	\$190 M	\$212 M	\$245 M*

Community Partners

Hospitality / Tourism

- Travel Portland
- Hotel partners
- Regional tourism partners
- Lloyd Enhanced Service District / Go Lloyd

Workforce

- Union leadership and trade partners
- UNITE HERE!
- Worksystems
- Constructing Hope
- Portland Opportunities Industrialization Center (POIC)
- Portland Youth Builders

- Oregon Tradeswomen
- Pacific Northwest Carpenters Institute
- Local Business Community

Jurisdictional Partners

- Prosper Portland
- City of Portland
- Multnomah County
- State of Oregon

Community Partners



Hyatt Regency Portland at the Oregon Convention Center



Questions?

oregonmetro.gov

