

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY 1993-)
94 BUDGET AND APPROPRIATIONS)
SCHEDULE TO REVISE THE BUILDING)
MANAGEMENT FUND TO REFLECT THE)
CHANGE IN OPERATIONAL)
REQUIREMENTS AND THE AGREEMENT)
WITH AMCO PORTLAND FOR THE EARLY)
TERMINATION OF THE LEASE OF METRO)
CENTER, AND DECLARING AN)
EMERGENCY)

ORDINANCE NO. 94-551A

Introduced by Rena Cusma,
Executive Officer

WHEREAS, The FY 1993-94 Adopted Budget assumed full leasing of Metro Center;
and

WHEREAS, Only partial leasing of Metro Center has occurred during FY 1993-94; and

WHEREAS, The refinancing of the Metro Regional Center revenue bonds has
substantially reduced the requirements for Metro Regional Center; and

WHEREAS, Metro has reached agreement with AMCO Portland, Inc. for the early
termination of the lease agreement for Metro Center; and

WHEREAS, The Metro Council has reviewed and considered the need to revise the
Building Management Fund to more accurately reflect Metro's financial obligations for FY
1993-94; and

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

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

THE METRO COUNCIL HEREBY ORDAINS:

1. That the FY 1993-94 Budget and Appropriations Schedule, are hereby amended
as shown in the columns titled "Revision" of Exhibits A and B to this Ordinance for the
purpose of revising the Building Management Fund to reflect the change in operational
requirements for FY 1993-94, and transferring \$394,000 from the General Fund to the
Building Management Fund to fund the early lease termination agreement between Metro and
AMCO Portland, Inc.

2. This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 26th day of May, 1994.



Judy Wyers, Presiding Officer

ATTEST:



Clerk of the Council

kr:ord93-94:bdgmgmt:ORDA.DOC
May 27, 1994

**Exhibit A
Ordinance No. 94-551A**

FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
GENERAL FUND:General Expenses							
<u>Interfund Transfers</u>							
581513	Trans. Indirect Costs to Bldg. Fund-Regional Center		163,504		0		163,504
581610	Trans. Indirect Costs to Support Svcs. Fund		488,647		0		488,647
581615	Trans. Indirect Costs to Risk Mgmt. Fund-Gen'l		2,173		0		2,173
581615	Trans. Indirect Costs to Risk Mgmt. Fund-Workers' Comp		8,238		0		8,238
582550	Trans. Resources to Oregon Conv. Ctr. Oper. Fund		0		0		0
583610	Trans.Direct Costs to Support Svcs. Fund		40,000		0		40,000
583615	Trans.Direct Costs to Risk Management Fund		14,429		0		14,429
<u>Excise Tax Transfers</u>							
582140	Trans. Resources to Planning Fund		1,780,738		0		1,780,738
582513	Trans. Resources to Building Mgmt. Fund - Parking		58,869		(52,639)		6,230
582513	Trans. Resources to Building Mgmt. Fund - Metro Center		0		394,000		394,000
582610	Trans. Resources to Support Svcs. Fund		70,000		0		70,000
582160	Trans. Resources to Reg. Parks/Expo Fund-Greenspaces		566,672		0		566,672
582160	Trans. Resources to Reg. Parks/Expo Fund-Parks		80,000		0		80,000
Total Interfund Transfers			3,273,270		341,361		3,614,631
<u>Contingency and Unappropriated Balance</u>							
599999	Contingency		427,500		(341,361)		86,139
599990	Unappropriated Fund Balance		267,665		0		267,665
Total Contingency and Unappropriated Balance			695,165		(341,361)		353,804
TOTAL EXPENDITURES		16.00	5,915,414	0.00	0	16.00	5,915,414

Exhibit A
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FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Building Management Fund Resources							
Resources							
METRO CENTER OPERATIONS							
305000	Beginning Balance		0		125,030		125,030
347220	Sublease Income		511,216		(475,216)		36,000
374000	Parking Fees		78,120		(65,120)		13,000
391010	Trans. Resource from General Fund		0		394,000		394,000
392010	Trans. Indirect Costs from Gen'l Fund		0		55,716		55,716
392140	Trans. Indirect Costs from Planning Fund		0		93,762		93,762
392531	Trans. Indirect Costs from S.W. Revenue Fund		0		66,176		66,176
392610	Trans. Indirect Costs from Support Svcs. Fund		0		172,864		172,864
METRO REGIONAL CENTER OPERATIONS							
305000	Beginning Balance		120,905		(29,585)		91,320
347221	Rentals-Office		0		9,950		9,950
361100	Interest		0		20,000		20,000
374000	Parking Fees		85,457		(9,207)		76,250
392010	Trans. Indirect Costs from Gen'l Fund		163,504		(55,716)		107,788
392140	Trans. Indirect Costs from Planning Fund		275,152		(93,762)		181,390
392531	Trans. Indirect Costs from S.W. Revenue Fund		194,199		(66,176)		128,023
392610	Trans. Indirect Costs from Support Svcs. Fund		507,283		(172,864)		334,419
392160	Trans. Indirect Costs from Regional Parks/Expo Fund		30,000		(7,500)		22,500
PARKING STRUCTURE OPERATIONS							
305000	Fund Balance		173,544		0		173,544
374000	Parking Fees		340,225		(55,052)		285,173
391010	Trans. Resources from General Fund		58,869		(52,639)		6,230
391550	Trans. Resources from Oregon Conv. Ctr. Oper. Fund		40,500		(34,270)		6,230
TOTAL RESOURCES			2,578,974		(179,609)		2,399,365

**Exhibit A
Ordinance No. 94-551A**

FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Building Management Fund Expenditures							
<u>Personal Services</u>							
511121	SALARIES-REGULAR EMPLOYEES (full time)						
	Director	0.10	7,180	0.25	17,503	0.35	24,683
	Associate Program Supervisor	0.55	27,882		0	0.55	27,882
	Assistant Management Analyst	0.25	10,375		0	0.25	10,375
511221	WAGES-REGULAR EMPLOYEES (full time)						
	Administrative Secretary	0.80	21,950		0	0.80	21,950
	Secretary		0	0.15	3,848	0.15	3,848
	Building Service Worker	0.50	13,250		0	0.50	13,250
	Security Officer II	1.00	26,500		0	1.00	26,500
	Security Officer I	1.00	20,671		0	1.00	20,671
511235	WAGES-TEMPORARY EMPLOYEES (part time)						
511400	OVERTIME		1,260		0		1,260
512000	FRINGE		53,178		8,861		62,039
Total Personal Services		4.20	182,246	0.40	30,212	4.60	212,458
<u>Materials & Services</u>							
521100	Office Supplies		778		0		778
521220	Custodial Supplies		7,000		0		7,000
521240	Graphics/Reprographic Supplies		3,500		0		3,500
521292	Small Tools		1,700		0		1,700
521510	Maintenance & Repairs Supplies-Building		1,100		0		1,100
524190	Misc Purchased Professional Services		161,902		13,945		175,847
525110	Utilities-Electricity		195,080		(25,000)		170,080
525120	Utilities-Water & Sewer		26,790		(1,000)		25,790
525130	Utilities-Natural Gas		89,670		(5,000)		84,670
525190	Utilities-Other		11,640		(1,000)		10,640
525200	Cleaning Services		201,100		(10,000)		191,100
525610	Maintenance & Repairs Services-Building		40,400		0		40,400
525620	Maintenance & Repairs Services-Grounds		25,800		0		25,800
525731	Operating Lease Payments-Building		290,760		0		290,760
526310	Printing Services		1,500		0		1,500
526420	Postage		250		0		250
526800	Training, Tuition, Conferences		3,500		0		3,500
526900	Misc. Other Purchased Services		21,600		0		21,600
528100	License, Permits, Payments to Other Agencies		2,600		0		2,600
528310	Real Property Taxes		12,000		0		12,000
529800	Miscellaneous		0		394,000		394,000
Total Materials & Services			1,098,670		365,945		1,464,615
Total Capital Outlay			50,000		0		50,000
<u>Interfund Transfers</u>							
582413	Trans. Resources to Gen'l Revenue Fund						
	Metro Regional Center-Debt Service		662,432		(455,125)		207,307
	Parking Structure-Debt Service		515,626		(325,359)		190,267
Total Interfund Transfers			1,178,058		(780,484)		397,574
<u>Contingency and Unappropriated Balance</u>							
599999	Contingency		70,000		(70,000)		0
599990	Unappropriated Balance		0		274,718		274,718
Total Contingency and Unappropriated Balance			70,000		204,718		274,718
TOTAL EXPENDITURES		4.20	2,578,974	0.40	(179,609)	4.60	2,399,365

**Exhibit A
Ordinance No. 94-551A**

FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
For Information Only							
Metro Center Operations							
<u>Personal Services</u>							
511121	SALARIES-REGULAR EMPLOYEES (full time)						
	Director		0	0.25	17,503	0.25	17,503
	Associate Program Supervisor	0.10	4,909		0	0.10	4,909
511221	WAGES-REGULAR EMPLOYEES (full time)						
	Secretary		0	0.15	3,848	0.15	3,848
512000	FRINGE		2,037		8,861		10,898
Total Personal Services		0.10	6,946	0.40	30,212	0.50	37,158
<u>Materials & Services</u>							
521100	Office Supplies		278		0		278
521220	Custodial Supplies		3,000		0		3,000
521240	Graphics/Reprographic Supplies		1,500		0		1,500
521292	Small Tools		200		0		200
521510	Maintenance & Repairs Supplies-Building		500		0		500
524190	Misc Purchased Professional Services		53,312		(15,000)		38,312
525110	Utilities-Electricity		77,080		(25,000)		52,080
525120	Utilities-Water & Sewer		6,710		(1,000)		5,710
525130	Utilities-Natural Gas		26,230		(5,000)		21,230
525190	Utilities-Other		5,820		(1,000)		4,820
525200	Cleaning Services		51,700		(10,000)		41,700
525610	Maintenance & Repairs Services-Building		21,450		0		21,450
525620	Maintenance & Repairs Services-Grounds		11,400		0		11,400
525731	Operating Lease Payments-Building		290,760		0		290,760
528100	License, Permits, Payments to Other Agencies		1,450		0		1,450
528310	Real Property Taxes		6,000		0		6,000
529800	Miscellaneous		0		394,000		394,000
Total Materials & Services			557,390		337,000		894,390
<u>Capital Outlay</u>							
574570	Construction-Improvements		25,000		0		25,000
Total Capital Outlay			25,000		0		25,000
TOTAL EXPENDITURES		0.10	589,336	0.40	367,212	0.50	956,548

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Ordinance No. 94-551A**

FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
For Information Only							
Metro Regional Center Operations							
<u>Personal Services</u>							
511121	SALARIES-REGULAR EMPLOYEES (full time)						
	Director	0.10	7,180	0	0	0.10	7,180
	Associate Program Supervisor	0.45	22,973	0	0	0.45	22,973
511221	WAGES-REGULAR EMPLOYEES (full time)						
	Administrative Secretary	0.80	21,950	0	0	0.80	21,950
	Building Service Worker	0.50	13,250	0	0	0.50	13,250
	Security Officer II	1.00	26,500	0	0	1.00	26,500
	Security Officer I	1.00	20,671	0	0	1.00	20,671
511400	OVERTIME		1,260		0		1,260
512000	FRINGE		46,836		0		46,836
Total Personal Services		3.85	160,620	0.00	0	3.85	160,620
<u>Materials & Services</u>							
521220	Custodial Supplies		4,000		0		4,000
521240	Graphics/Reprographic Supplies		1,500		0		1,500
521292	Small Tools		1,500		0		1,500
521510	Maintenance & Repairs Supplies-Building		500		0		500
524190	Misc Purchased Professional Services		30,500		33,945		64,445
525110	Utilities-Electricity		100,000		0		100,000
525120	Utilities-Water & Sewer		17,680		0		17,680
525130	Utilities-Natural Gas		63,440		0		63,440
525190	Utilities-Other		5,820		0		5,820
525200	Cleaning Services		149,400		0		149,400
525610	Maintenance & Repairs Services-Building		18,950		0		18,950
525620	Maintenance & Repairs Services-Grounds		11,400		0		11,400
526310	Printing Services		500		0		500
526800	Training, Tuition, Conferences		2,500		0		2,500
526900	Misc. Other Purchased Services		21,600		0		21,600
528100	License, Permits, Payments to Other Agencies		1,000		0		1,000
528310	Real Property Taxes		6,000		0		6,000
Total Materials & Services			436,290		33,945		470,235
<u>Capital Outlay</u>							
574570	Construction-Improvements		25,000		0		25,000
Total Capital Outlay			25,000		0		25,000
TOTAL EXPENDITURES		3.85	621,910	0.00	33,945	3.85	655,855

**Exhibit A
Ordinance No. 94-551A**

FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
For Information Only							
Parking Structure Operations							
<u>Personal Services</u>							
511121	SALARIES-REGULAR EMPLOYEES (full time) Assistant Management Analyst	0.10	4,150	0	0	0.10	4,150
511221	WAGES-REGULAR EMPLOYEES (full time)						
512000	FRINGE		1,722		0		1,722
Total Personal Services		0.10	5,872	0.00	0	0.10	5,872
<u>Materials & Services</u>							
524190	Misc Purchased Professional Services		68,090		0		68,090
525110	Utilities-Electricity		18,000		0		18,000
525120	Utilities-Water & Sewer		2,400		0		2,400
525620	Maintenance & Repairs Services-Grounds		3,000		0		3,000
528100	License, Permits, Payments to Other Agencies		150		0		150
Total Materials & Services			91,640		0		91,640
TOTAL EXPENDITURES		0.10	97,512	0.00	0	0.10	97,512

Day Care Facility

<u>Personal Services</u>							
511121	SALARIES-REGULAR EMPLOYEES (full time) Assistant Management Analyst	0.15	6,225	0	0	0.15	6,225
511221	WAGES-REGULAR EMPLOYEES (full time)						
512000	FRINGE		2,583		0		2,583
Total Personal Services		0.15	8,808	0.00	0	0.15	8,808
<u>Materials & Services</u>							
521100	Office Supplies		500		0		500
521240	Graphics/Reprographic Supplies		500		0		500
521510	Maintenance & Repairs Supplies-Building		100		0		100
524190	Misc Purchased Professional Services		10,000		(5,000)		5,000
526310	Printing Services		1,000		0		1,000
526420	Postage		250		0		250
526800	Training, Tuition, Conferences		1,000		0		1,000
Total Materials & Services			13,350		(5,000)		8,350
TOTAL EXPENDITURES		0.15	22,158	0.00	(5,000)	0.15	17,158

**Exhibit A
Ordinance No. 94-551A**

FISCAL YEAR 1993-94		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
GENERAL REVENUE BOND FUND:Resources							
<u>Resources</u>							
Metro Regional Center							
305000	Fund Balance						
	* Construction Account		1,300,000		0		1,300,000
	* Debt Service Account		604,527		0		604,527
	* Debt Service Reserve Account		1,807,548		0		1,807,548
	* Renewal & Replacement Account		204,608		0		204,608
361100	Interest on Investments						
	* Construction Account		15,000		0		15,000
	* Debt Service Account		0		126,564		126,564
	* Debt Service Reserve Account		63,000		0		63,000
	* Renewal & Replacement Account		8,184		0		8,184
391531	Trans. Resources from Building Fund						
	* from Metro Regional Center Account		662,432		(455,125)		207,307
	* from Parking Garage Account		515,626		(325,359)		190,267
TOTAL RESOURCES			5,180,925		(653,920)		4,527,005

Construction Account

TOTAL CONSTRUCTION ACCOUNT	1.39	1,157,473	0.00	0	1.39	1,157,473
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Debt Service Account

<u>Debt Service</u>							
Metro Regional Center Building							
533220	Revenue Bond-Interest		1,209,055		(295,857)		913,198
Parking Garage							
533220	Revenue Bond-Interest		285,277		(69,810)		215,467
TOTAL DEBT SERVICE ACCOUNT			1,494,332		(365,667)		1,128,665

General Expenses

<u>Contingency and Unappropriated Balance</u>							
599999	Contingency						
	Construction Account		157,527		0		157,527
	Renewal & Replacement Account		212,792		0		212,792
599990	Unappropriated Balance						
	Debt Service Account						
	* Metro Regional Center		120,905		(120,905)		0
	* Parking Structure		230,348		(230,348)		0
	Debt Reserve		1,807,548		63,000		1,870,548
Total Contingency and Unapp. Balance			2,529,120		(288,253)		2,240,867
TOTAL FUND EXPENDITURES		1.39	5,180,925	0.00	(653,920)	1.39	4,527,005

Exhibit B
Schedule of Appropriations
Ordinance No. 94-551A

	Current Appropriation	Revision	Proposed Appropriation
GENERAL FUND			
Council			
Personal Services	987,165	0	987,165
Materials & Services	141,046	0	141,046
Capital Outlay	4,000	0	4,000
Subtotal	1,132,211	0	1,132,211
Executive Management			
Personal Services	343,248	0	343,248
Materials & Services	79,532	0	79,532
Capital Outlay	0	0	0
Subtotal	422,780	0	422,780
Office of Government Relations			
Personal Services	67,538	0	67,538
Materials & Services	74,450	0	74,450
Capital Outlay	0	0	0
Subtotal	141,988	0	141,988
Special Appropriations			
Materials & Services	250,000	0	250,000
Subtotal	250,000	0	250,000
General Expenses			
Interfund Transfers	3,273,270	341,361	3,614,631
Contingency	427,500	(341,361)	86,139
Subtotal	3,700,770	0	3,700,770
Unappropriated Balance	267,665	0	267,665
Total Fund Requirements	5,915,414	0	5,915,414
BUILDING MANAGEMENT FUND			
Personal Services	182,246	30,212	212,458
Materials & Services	1,098,670	365,945	1,464,615
Capital Outlay	50,000	0	50,000
Interfund Transfers	1,178,058	(780,484)	397,574
Contingency	70,000	(70,000)	0
Unappropriated Balance	0	274,718	274,718
Total Fund Requirements	2,578,974	(179,609)	2,399,365
GENERAL REVENUE BOND FUND			
Construction Account			
Personal Services	98,724	0	98,724
Materials & Services	145,740	0	145,740
Capital Outlay	913,009	0	913,009
Subtotal	1,157,473	0	1,157,473
Debt Service Account			
Debt Service	1,494,332	(365,667)	1,128,665
Subtotal	1,494,332	(365,667)	1,128,665

**Exhibit B
Schedule of Appropriations
Ordinance No. 94-551A**

	Current Appropriation	Revision	Proposed Appropriation
GENERAL REVENUE BOND FUND (continued)			
General Expenses			
Contingency	370,319	0	370,319
Subtotal	370,319	0	370,319
Unappropriated Balance	2,158,801	(288,253)	1,870,548
Total Fund Requirements	5,180,925	(653,920)	4,527,005

All Other Appropriations Remain As Previously Adopted

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY 1993-94 BUDGET AND APPROPRIATIONS SCHEDULE TO REVISE THE BUILDING MANAGEMENT FUND TO REFLECT THE CHANGE IN OPERATIONAL REQUIREMENTS AND THE AGREEMENT WITH AMCO PORTLAND FOR THE EARLY TERMINATION OF THE LEASE OF METRO CENTER, AND DECLARING AN EMERGENCY)

ORDINANCE NO. 94-551A
Introduced by Rena Cusma,
Executive Officer

WHEREAS, The FY 1993-94 Adopted Budget assumed full leasing of Metro Center;
and

WHEREAS, Only partial leasing of Metro Center has occurred during FY 1993-94; and

WHEREAS, The refinancing of the Metro Regional Center revenue bonds has substantially reduced the requirements for Metro Regional Center; and

WHEREAS, Metro has reached agreement with AMCO Portland, Inc. for the early termination of the lease agreement for Metro Center; and

WHEREAS, The Metro Council has reviewed and considered the need to revise the Building Management Fund to more accurately reflect Metro's financial obligations for FY 1993-94; and

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

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

THE METRO COUNCIL HEREBY ORDAINS:

1. That the FY 1993-94 Budget and Appropriations Schedule, are hereby amended as shown in the columns titled "Revision" of Exhibits A and B to this Ordinance for the purpose of revising the Building Management Fund to reflect the change in operational requirements for FY 1993-94, and transferring \$394,000 from the General Fund to the Building Management Fund to fund the early lease termination agreement between Metro and AMCO Portland, Inc.

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ADOPTED by the Metro Council this _____ day of _____, 1994.

Judy Wyers, Presiding Officer

ATTEST:

Clerk of the Council

kr:ord93-94:bdgmgmt:ORDA.DOC
May 18, 1994



METRO

Date: May 18, 1994
To: Metro Council
From: Judy Wyers, ^{JW/oe} Presiding Officer
Re: Removal of Ordinance No. 94-551 From the Finance Committee for Council Consideration at the May 26, 1994 Council Meeting

This is to inform you that pursuant to provisions in the Metro Code I am removing Ordinance No. 94-551 from the Finance Committee and placing it on the May 26, 1994 agenda for Council consideration. Section 2.01.140(h) of the Code states in part:

"...by action of the Presiding Officer any matter referred to a standing committee may be removed from the committee and reassigned to another committee or be considered by the Council at a subsequent meeting."

This action is necessary because of 1) the Council adoption of Resolution No. 94-1958 (see Attachment 1) which approved an agreement with AMCO-Portland Inc. for the termination of the lease on the Metro Center Building and 2) the cancellation of the Finance Committee meeting on May 25, 1994. The agreement requires the payment of the settlement on June 1, 1994 and Ordinance No. 94-551 is an appropriate instrument to make the necessary amendment to the FY 1993-94 Budget and Appropriation Schedule to authorize the payment.

Attached for Council consideration is the Staff Report and "A" version of Ordinance No. 94-551 which contains the necessary amendment to authorize the payment of funds to AMCO-Portland Inc. to satisfy the agreement. At the May 26 Council meeting Ordinance No. 94-551A should be substituted for the original ordinance.

If you have any questions, please contact either Don Carlson or me.

cc: Dick Engstrom, Deputy Executive Officer
Jennifer Sims, Finance Director
Doug Butler, General Services Director
Paulette Allen, Council Clerk

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING) RESOLUTION NO. 94-1958
A LEASE TERMINATION AGREEMENT)
WITH AMCO-PORTLAND, INC.) Introduced by Rena Cusma,
) Executive Officer

WHEREAS, Metro and AMCO-Portland, Inc. entered into a Lease Agreement dated February 14, 1985, by which Metro leased real property located at 2000 S.W. First Avenue, Portland, for a term which is presently scheduled to end June 30, 1996; and

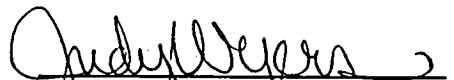
WHEREAS, Metro desires to terminate the Lease effective June 30, 1994 and AMCO-Portland, Inc. is willing to accept the early termination; and

WHEREAS, The Department of General Services has negotiated a Lease Termination Agreement with AMCO-Portland, Inc. that will result in the termination of the Lease upon payment by Metro of \$394,000 all as provided in attached Exhibit "A"; now, therefore,

BE IT RESOLVED,

That the Metro Council authorizes the Executive Officer to execute a Lease Termination Agreement in a form substantially similar to attached Exhibit "A."

DATED this 5th day of May, 1994.


Judy Wyers, Presiding Officer

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 94-551A AMENDING THE FY 1993-94 BUDGET AND APPROPRIATIONS SCHEDULE TO REVISE THE BUILDING MANAGEMENT FUND TO REFLECT THE CHANGE IN OPERATIONAL REQUIREMENTS AND THE AGREEMENT WITH AMCO PORTLAND FOR THE EARLY TERMINATION OF THE LEASE OF METRO CENTER, AND DECLARING AN EMERGENCY

Date: 5/19/94

Presented by: Jennifer Sims
Doug Butler

BACKGROUND AND ANALYSIS

Several actions have occurred during FY 1993-94 which have significantly altered the financial structure of the Building Management Fund. This ordinance identifies each of the actions and explains the operational and fiscal impact on the FY 1993-94 budget.

Staff Report for Ordinance 94-551, As Originally Presented

Summary of Actions -- The refinancing, in November 1993, of the revenue bonds issued to finance the purchase and renovation of Metro Regional Center resulted in a net reduction in debt service payments of \$365,666, and a total reduction to the Building Management Fund of \$505,766. Metro Center has had a revenue shortfall in sublease income during FY 1993-94. The department transfers that are budgeted and would have been used for debt service are now available, due to the refinancing, to pay for the operations and maintenance costs incurred on Metro Center during FY 1993-94. Further explanation on the bond refinancing and the operational needs of the Building Management Fund is provided below.

Refinancing of the Metro Regional Center Revenue Bonds

In November, 1993, Metro refinanced the 1991 Series A General Revenue Bonds issued to finance the purchase and renovation of the Metro Regional Center. The refinancing resulted in total net present value savings over the life of the bonds of \$1.4 million or 5.5 percent, and moved semi-annual debt service payments from July 1 and January 1 of each year to August 1 and February 1 of each year.

The Building Management Fund serves as a conduit for the assessment and collection of fees necessary to pay the debt service on the revenue bonds. The Building Management Fund transfers the fees to the General Revenue Bond Fund, which when added to other resources available in that fund, are sufficient to pay the semi-annual debt service payments. As a result of the refinancing in November, 1993, the January 1, 1994 payment was eliminated and replaced with a much lower payment on February 1, 1994. In addition, the budgeting procedure for other debt covenant requirements was modified to allow those resources to remain in the Building Management Fund until required to pay debt service in

the General Revenue Bond Fund. Finally, the General Revenue Bond Fund received a one-time only payment of accrued interest from the refinancing, which was used to offset the February 1, 1994, debt payment. The total reduction in debt service payments for FY 1993-94 as a result of the refinancing is \$365,666. The total savings to the Building Management Fund as a result of the reduction of debt payments, the reduction of the 10 percent debt coverage requirement for FY 1993-94, and the one-time only offset of accrued interest is \$505,766. The savings in the Building Management Fund resulting from the bond refinancing are summarized on a budgetary basis below:

	Current Adopted Budget	Proposed Budget	Total Savings
Transfer to the General Revenue Bond Fund			
<u>Metro Regional Center</u>			
FY 1993-94 department assessments for debt service	\$541,527	\$207,307	(\$334,220)
10% coverage requirement	120,905	0	(120,905)
<u>Parking Structure</u>			
FY 1993-94 revenues for debt service	285,278	190,267	(95,011)
10% coverage requirement	28,528	0	(28,528)
August 1 (July 1) debt payment funded in advance	201,820	0	(201,820)
Total Transfer to the General Revenue Bond Fund	\$1,178,058	\$397,574	(\$780,484)
Unappropriated Balance			
<u>Metro Regional Center</u>			
10% coverage requirement	0	91,320	91,320
<u>Parking Structure</u>			
10% coverage requirement	0	21,547	21,547
August 1 (July 1) debt payment funded in advance	0	161,851	161,851
Total Unappropriated Balance	\$0	\$274,718	\$274,718
Total Expenditures and Savings	\$1,178,058	\$672,292	(\$505,766)

Savings in department assessments attributable to Metro Regional Center will be used to offset funding requirements for Metro Center. Savings to the Parking Structure will reduce the additional resource transfers needed from the General Fund and the Oregon Convention Center Operating Fund.

Building Management Operational Needs and Funding Requirements

The Building Management Fund includes the operations of Metro Center, Metro Regional Center including the Day Care Facility, and the Parking Structure. As the year has progressed, each of the operations has incurred variations from its planned budget. The impact of these variations will be discussed by facility.

Metro Center Operations: The FY 1993-94 Adopted Budget assumed the full occupancy and leasing of Metro Center, with all operations, maintenance and lease payments fully paid from the proceeds of the building. During the year, only limited leasing of the building occurred, resulting in much lower revenue streams than budgeted. Enterprise revenues

for Metro Center (lease payments and parking revenues) are estimated to be approximately \$540,000 less than budgeted.

While Metro has been obligated to pay the full lease payments for the entire year, partial occupancy in the building has resulted in lower utility and maintenance costs. Materials & Services costs for Metro Center are estimated to be about \$57,000 lower than budgeted. At the same time, however, Personal Services expenditures are projected to be about \$30,000 higher than budgeted. The Director of General Services and his support staff have directed considerable efforts to reach a solution regarding the occupancy of Metro Center. These efforts have included negotiations for a long term tenant acceptable to Metro and the building owner; negotiations with existing tenants of the building to relocate; and negotiations for an early termination of the lease agreement with the building owner. Following Council direction that the General Services staff charge their time to the appropriate division as it has been spent, the work performed by the Director and his support staff has been charged to Metro Center.

In summary for Metro Center, revenues are anticipated to be approximately \$540,336 less than anticipated and expenditures will be approximately \$26,788 less than budgeted, leaving a balance unfunded from direct revenues of \$513,548. This amount will be funded through savings in departmental transfers originally anticipated for Metro Regional Center, and from beginning fund balance. The fund balance needed for Metro Center includes \$29,585 saved from Metro Regional Center as a result of the refinancing of the revenue bonds, and \$95,445 in previously unrecognized fund balance accrued to the Building Management Fund.

Metro Regional Center: Metro Regional Center, including the Day Care Facility, has also experienced minor modifications to its planned expenditures. The Day Care Facility budget included \$10,000 in professional services for oversight and research into potential issues regarding the operations of the Day Care Facility. The need for these services has been minimal, and the department is recognizing a \$5,000 reduction to materials and services for the Day Care Facility. At the same time, Metro Regional Center is incurring expenditures at a rate higher than anticipated. The primary reason for the additional expenditures is related to an increase in security. The FY 1993-94 budget assumed only eight hours per day of security. However, 24 hour security for the building has been required. A number of factors contribute to the need for a higher level of security including the size and location of the building, need for staff access to the building during evenings and weekends, and the considerable number of public meetings held during non-business hours. The department anticipates an additional \$33,945 in materials and services will be required to cover the increased security demands. Finally, this action eliminates the \$70,000 contingency budgeted for Metro Regional Center. All three actions for Metro Regional Center, including the Day Care Facility, result in a net reduction in expenditures of \$41,055.

Staff Report for Amended Ordinance, 94-551A

This section of the staff report explains the amendment to Ordinance 94-551, as originally presented to Council for first reading on May 12, 1994.

Early Termination of Lease Settlement with AMCO Portland

On May 5, 1994, the Council approved and the Executive Officer signed an early termination of lease agreement with AMCO Portland for Metro Center. Under the terms of the agreement Metro is to pay AMCO Portland the sum of \$394,000 on or before June 1, 1994. The settlement will be funded during FY 1993-94 through a transfer from the General Fund Contingency to the Building Management Fund. Actual payment of the settlement will be charged to the Metro Center Account in the Building Management Fund. In FY 1994-95, the General Fund will be reimbursed for this payment by reductions in approved transfers from the General Fund to the Planning, Regional Parks and Support Services Fund for Metro Center expenses which will no longer be needed, and by a transfer of resources from the Solid Waste Fund to the General Fund in an amount equal to the Solid Waste Department's share of Metro Center expenses based on square footage.

Also under the terms of the agreement, on May 31, 1994, a survey of the building will be done to determine if any maintenance, repair work, or other work must be performed by Metro under the terms of the lease. The extent of the work to be performed as a result of the survey is unknown at this time. It is assumed that any additional work required can be performed within existing appropriation levels, however, further adjustments to the Fund may be necessary prior to the end of the fiscal year.

EXECUTIVE OFFICERS RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 94-551A.



METRO

DATE: May 31, 1994

TO: Rena Cusma, Executive Officer

FROM: Paulette Allen, Clerk of the Council *PA*

RE: TRANSMITTAL OF ORDINANCE NOS. 94-551A and 94-549B

Attached for your consideration are true copies of the ordinances referenced above adopted by the Council on May 26, 1994.

If you wish to veto any of the ordinances referenced above, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, June 2, 1994. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time and date stated above, these ordinances will be considered finally adopted.

I, *Unette Torley*, received this memo and true copies of Ordinance Nos. 94-551A and 94-549B from the Clerk of the Council on *June 1, 1994*.