MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • Chair • 248-3308
PAULINE ANDERSON • District 1 • 248-5220
GRETCHEN KAFOURY • District 2 • 248-5219
RICK BAUMAN • District 3 • 248-5217
• District 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

AGENDA OF

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

FOR THE WEEK OF

May 15 - 19, 1989

Tuesday, May 16, 1989 - 9:00 AM

Multnomah County Courthouse, Room 602

INFORMAL BRIEFINGS

1. Legislative Briefing - if needed - Fred Neal, Howard Klink

EXECUTIVE SESSION

EXECUTIVE SESSION - for the purpose of reviewing Litigation allowed under ORS 192.660 (1) (h)

INFORMAL BRIEFINGS

2. Staff Report and recommendations on MERC Configuration and facilities transfer - Paul Yarborough

PUBLIC TESTIMONY WILL NOT BE TAKEN AT INFORMAL MEETINGS

Tuesday, May 16, 1989 - 1:30 PM

Multnomah County Courthouse, Room 602

INFORMAL

1. Informal Review of Bids and Requests for Proposals:
   a) Asphaltic Concrete/requirements
   b) Asphalt Concrete Pavement Overlay
   c) Jury Box, Jury Room (2) Hearing Rooms Remodel
   d) Management Information System
   e) A & T Software

2. Reports of N.E. and N. Portland Service Fund Planning Groups - Duane Zussy, Charles Ford, Diane Feldt

3. Review of Pretrial Process - John Angell, Mary Toborg, John Bellsai

4. Justice Services Final Report - John Angell

5. Informal Review of Formal Agenda of May 18, 1989

PUBLIC TESTIMONY WILL NOT BE TAKEN AT INFORMAL MEETINGS

Thursday, May 18, 1989, 9:30 AM

Multnomah County Courthouse, Room 602

Formal Agenda

CONSENT CALENDAR

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-1 Order Accepting Deed for Dedicated Street Purposes:
a) Bruce C. and Deborah Plumer - Altman Road
b) Freeport Investment Co. Profit Share Plan & Trust SW Northgate Avenue
c) Homestead West, LTD - SE 141st Avenue

C-2 Order authorizing Execution and Acceptance of a Deed from Multnomah County, to various streets for Dedicated Street Purposes

REGULAR AGENDA

DEPARTMENT OF ENVIRONMENTAL SERVICES

R-3 Report and recommendation from Director of Environmental Services that vacation of NW Royal Road and NW Barnes Avenue in Barnes Park Heights, Section 35, T1N, R1W, W.M. be approved; and Order of Final Vacation, No. 4975

R-4 In the matter of reviewing and approving the 1989 Community Development Block Grant Program proposed List of Activities

SERVICE DISTRICTS

(Recess as the Board of County Commissioners and reconvene as the Governing Body of the Mid County Service District

R-5 Order in the Matter of Executing an Agreement with the City of Portland, Oregon for Street Lighting Services

(Recess as the Governing Body of the and reconvene as the Board of County Commissioners)

DEPARTMENT OF HUMAN SERVICES

R-7 In the matter of presentation of Presidential Citation to Coalition of Community Health Clinics Volunteers

R-8 In the matter of ratification of an intergovernmental revenue agreement with Clackamas County, to receive funds to cover the salary of one employee who is providing management consultation for period April 1 to May 31, 1989

R-9 In the matter of ratification of an intergovernmental agreement with State Adult and Family Services Division, whereby State authorizes County Health Division to submit claims for reimbursement for medicaid services by the County's new electronic billing process, instead of hard copy invoices through the mail for an indefinite period of time

R-10 Budget Modification DHS #50 making an appropriation transfer in the amount of $4,075 within Health Division (AID Surveillance Grant Funds) from Personal Services to Capital Outlay and Materials & Services, to allow the purchase of a personal computer and software for AIDS Surveillance

BOARD OF COUNTY COMMISSIONERS

R-11 Resolution in the matter of urging an affirmative vote on HB 3482, establishing a Resource Conservation Trust Fund

Thursday Meetings of the Multnomah County Board of Commissioners are recorded and can be seen at the following times:
Thursday, 10:00 PM, Channel 11 for East and West side subscribers
Friday, 6:00 P.M., Channel 27 for Rogers Multnomah East subscribers
Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

0499C.37-41

5/16/89

DEPARTMENT OF HUMAN RESOURCES PROGRAM PRIORITIES
Above 1989-91 Continuing Level Approved Budgets

	General Fund (Millions)
Children's Agenda, Great Start Program Partnerships	$8.2
Adult and Family Services Division, New JOBS Pilots	$3.1
Mental Health Division, Regional Acute Care Facility, Josephine Co.	$1.8
Children's Services Division, Family Preservation, Psychiatric Day Treatment	$1.3
Children's Services Division, Family Preservation, Family Alcohol and Drug Treatment	$0.9
Children's Services Division, Family Preservation, Specialized Foster Care Services	$0.6
Mental Health Division, Regional Acute Care Facility, Multnomah County	$1.2
Vocational Rehabilitation Division, Planning and Evaluation Unit	$0.1
*Children's Services Division, MacLaren School and Community Programs for Gang Affiliated Youth	$2.0
Children's Services Division, Family Preservation, Family Reunification Services	$0.4
Health Division, High Risk Infant Monitoring	$1.2
Children's Services Division, Family Preservation, Family Visitation and Relative Search	$0.7
Children's Services Division, Family Preservation, Foster Care and Special Rates Offset	($0.9)
Mental Health Division, Children's Mental Health Crisis Intervention Services	$0.8
Vocational Rehabilitation Division, School Transition and expansion of Basic Vocational Rehabilitation Services	$0.3
Mental Health Division, Forensic Unit, Patient Work Program	$0.4
Children's Services Division, Family Preservation, Family Sex Abuse Treatment	$0.4
Mental Health Division, Alcohol and Drug Residential Services for Women	$0.6
Adult and Family Services Division, Aid to Families with Children - Unemployed two-parent programs	$6.0
	$29.1

378-2970

May 4, 1989

These are the Priorities established between VR & W&M

HR Subcommittee — They are NOT reflected in ONR's Priorities —

only 1 at 100K & parts of 2 & 3 at 300K slow up & NO ~~[illegible]~~ Supported Work Retraining!

	Issue	Clients Served	FTE	GF	FF	TF
1	P&E Unit	---	2.0	79,059	276,263	355,322
4	S/W Retrng	562	0.0	151,896	523,200	675,096
2	Sch. Tran.	155	1.5	90,000	310,000	400,000
3	BVR Program	650	8.0	346,479	1,201,048	1,547,527
	Total	1,367	11.5	667,434	2,310,511	2,977,945

The BVR Program includes: The establishment grant for the Dammasch project (139,986 TF), BVR Field Support (301,580 TF), QA Manager (108,101 TF), the original BVR Program Enhancement (666,256 TF), and the funds from the Admin and BVR AWISP packages (331,604 TF- 1 add'l counselor and the rest in case services to serve an add'l 150 clients).

Please keep in mind that these funds include direct program AND program support.

DEPARTMENT OF HUMAN RESOURCES

1989-91 Budget Status

As of May 4, 1989

(General Fund - Millions)

	Governor's Revised	Co-Chairs Target	Subcommittee Approval	Difference Co-Chairs/ Subcommittee
Adult and Family Services	$402.4	$405.5	***	$22.6
Children's Services Division	$175.4	$169.5	$169.8	$0.3
Health Division	$19.3	$18.6	$19.2	$0.6
Mental Health Division	$339.3	$314.9	$332.4	$17.5
Senior Services Division	$140.1	$143.0	$142.4	($0.6)
Vocational Rehabilitation Division	$8.9	$8.3	$8.3	$0.0
Director's Office	$18.9	$4.8	$6.4	$1.6
Department Totals	$1,104.3	$1,064.6	$1,106.6	$42.0
Portion over the Cap	$85.4	$27.1	$45.2	$18.1
Net Department under Cap	$1,018.9	$1,037.5	$1,061.4	$23.9

*** Adult and Family Services Division not yet approved by Subcommittee. Tentative recommendations include:

Governor's Revised	$402.4
° Restore ADC Two Parent Program	$11.4
° New JOBS - Welfare Reform	$10.0
° Indigent Care - G.A. Inpatient	$2.1
° Department Administrative Reserve	$1.8
° Administrative Adjustments	$0.4
Total	$428.1

Total included in Department Total for Subcommittee approved

0551W

5/4/89

DEPARTMENT OF HUMAN RESOURCES
PROGRAM PRIORITIES

Above 1989-91 Continuing Level Approved Budgets

Children's Agenda, Great Start Program Partnerships

- $8 million grant program, providing funds to each county for services to children from the prenatal period to age 6.
- Overall goal is ensuring that Oregon children reach the first grade with good physical, social, emotional and language development.
- The program is designed to use state funds and technical assistance, through the community planning process, to leverage additional community financial and volunteer resources.
- Current legislative proposal is to place Great Start into the existing Juvenile Services Commission structure along with the Student Retention Initiative.
- Areas on which funds can be spent:

  - Parent support programs (including education)
  - Child care and child development services
  - Health and mental health promotion
  - Programs for access to services (including outreach, referral)
- County Great Start Committees, in order to receive funds, will prepare a plan, which will in turn be approved by the county commission. The plan will include:

  - a description of existing public and private programs in the county offering services to children in this age group
  - a report on the adequacy of services to children in the following areas: child care; early childhood education; prenatal and other health and mental health; teen pregnancy prevention; services to teen parents and their children; child abuse prevention, services and treatment; parent education and support; prekindergarten programs; high-risk infant tracking; and referral services
    (Note: This list will serve a similar purpose as the Juvenile Services Commission required services. If any of these areas is inadequate, and the proposed Great Start project does not address it, the county will have to make a convincing case for spending funds in another area.)
  - proposed plan for spending the county's Great Start funds, including a demonstration of need, the proposed project's expected effectiveness in achieving the stated goal, and its purpose
  - criteria to be used in evaluating the program
  - ways in which the proposed project will be coordinated with existing state and local programs for children
- Also important to Great Start is the creation of the proposed state level interagency Children's Coordinating Council and unified state children's budget.

Adult and Family Services Division, New JOBS

- Will continue new JOBS for 12 months at the seven pilot sites
- Provides limited support services, barrier identification, and training and job search services to New JOBS clients. Continues volunteer participation at reduced levels.
- Pilots will terminate July 1, 1990 unless sufficient funds are available from Welfare Reform which becomes effective October 1, 1990, in which case the New JOBS offices will be phased in to the Welfare Reform Program.

Mental Health Division, Regional Acute Care Facility, Josephine County

- 24 bed impatient unit for 14 months
- Emergency holds and voluntary patients in crisis
- Diversion from admission to state hospitals
- Support, treatment and residential services provided upon discharge
- Prevents delays in placement in community
- Will improve quality of state hospitals by limiting care to intermediate and long-term rehabilitation

Children's Services Division, Family Preservation, Psychiatric Day Treatment

- Serves young victims of physical and sexual abuse or serious neglect that have been severely emotionally or developmentally damaged
- Day Treatment in preschool years to prevent need for more intensive services later
- Provides day treatment for 50 ADP and add 30 ADP specialized foster care to provide a healing living environment
- Start up in second year of biennium

Children's Services Division, Family Preservation, Family Alcohol and Drug Treatment

- Targeted to families where one or both parents are chemically addicted and children are at risk of out of home placement
- Adds 68 slots in areas that show the highest placement rates for children
- New treatment programs will be designed to deal with the addictive family system

Children's Services Division, Family Preservation, Specialized Foster Care Services

- Adds mutual homes to allow young mothers to be placed in foster care with their children, improves foster care services to medically fragile and developmentally delayed children, and improves liability coverage for foster care (House Bill 2480).
- Mutual homes will be piloted in Lane and Multhomah Counties
- Serves 37.5 ADP in biennium
- Includes staff position to design and implement programs

Mental Health Division, Regional Acute Care Facility, Multnomah County

- 24 bed impatient unit for 11 months
- Emergency holds and voluntary patients in crisis
- Diversion from admission to state hospitals
- Support, treatment and residential services provided upon discharge
- Prevents delays in placement in community
- Will improve quality of state hospitals by limiting care to intermediate and long-term rehabilitation

Vocational Rehabilitation Division, Planning and Evaluation Unit

- Perform in-depth statistical and programmatic analysis
- Service delivery, new processes, innovative programs and client needs
- Provide most efficient use of resources and services
- Complies with State and Federal directives

Children's Services Division, MacLaren School and Community Programs for Gang Affiliated Youth

- Provides $1.48 million to add 30 close custody beds at MacLaren
- Provides 15 beds for 24 months and an additional 15 beds for 17 months
- Provides $519,000 to help stabilize youth returning to the community ($54,000 for Parole officer and $465,000 for local purchased services)
- Local services to include alternative education programs, job training and employment placement

Children's Services Division, Family Preservation, Family Reunification Services

- Provides training for 700 Division staff on family reunification methodology
- Training will be implemented in 24 offices in three separate cycles
- Will establish reunification specialists (existing staff-out of class pay and temporary employees) to focus on families with children in foster care that are not making progress to correct deficiencies
- Will establish specialist in each of Division's four regions to:
  - Train staff in each office
  - Work individually with caseworker and family to model techniques to individual situations
  - Provide consultation on all cases

Health Division, High Risk Infant Monitoring

- Case management services
- Work with local public health departments
- Up to 8,000 high-risk infants (0-3 years) per biennium
- Identification, home visits for education and needs assessments, ongoing monitoring and follow-up
- Prevents conditions which require public support

Children's Services Division, Family Preservation, Family Visitation and Relative Search

- Designed to increase the number and length of family visits for children in substitute care and to increase out of home placements of children with relatives and parents
- Family visitation will be improved through support services such as:
  - Transportation
  - Day care for other children
  - Improved visitation facilities
  - Additional personal support during visit and follow-up
- Relative search will be done (contract with family finder) on every new case and placement with relatives will be a priority when safe and reasonable to do so
- Placements with relatives is less desruptive, provides better outcomes and will reduce the need for regular foster care

Children's Services Division, Family Preservation, Foster Care and Special Rates Offset

- With the Family Preservation program improvements included above, the Division continuing level budget would offset in the following areas:

  - Regular Family Foster Care 126 ADP
  - Special rate foster care 32 ADP
  - Caseworker staff - 5.5 FTE

Mental Health Division, Children's Mental Health Crisis Intervention Services

- Work with local county planning groups
- Crisis intervention services including stabilization, respite care, local hospitalization, treatment and case management
- Serves 531 severely emotionally disturbed children and adolescents
- Prevents state hospitalization

Vocational Rehabilitation Division, School Transition and expansion of Basic Vocational Rehabilitation Services

- Vocational opportunities for 155 students in school transition
- Expansion of Basic Vocational Rehabilitation services for 650 clients
- Training, job skills, counseling evaluation, tools, transportation

Mental Health Division, Forensic Unit, Patient Work Program

- Adds two ward staff and $50,000 for patient pay and supplies
- Train and pay Forensic patients in Oregon State Hospital for housekeeping and food service work
- Number of clients may vary from time to time
- Phase in after·first six months of biennium
- Will address some necessary staffing issues at Forensics

Children's Services Division, Family Preservation, Family Sex Abuse Treatment

- Targeted to children ages 0-6 (2,077 victims in 1986-87)
- Provides developmentally appropriate services (play therapy, role playing) to lessen problems before victims move through later developmental stages
- Expands sex abuse treatment to rural areas and provides specially trained specialists in urban areas

Mental Health Division, Alcohol and Drug Residential Services for Women

- Specialized treatment services for women through supportive environments
- 30 residential beds each year
- Includes 15 beds for children
- Reduces risk of mental and physical abuse to women and their children
- Will have positive impact on Adult and Family Services and Children's Services Division caseloads

Adult and Family Services Division, Aid to Dependent Children - Unemployed Parents

- Will provide ADC-UN benefits for 8 of 15 months prior to the implementation of Welfare Reform
- Will provide cash and medical benefits to approximately 1,300 cases and 4,000 eligibles
- The program will be shut down for a continuous seven month period during the biennium

0553W
May 4, 1989

ACUTE LOCAL HOSPITALIZATION AND COMMUNITY STABILIZATION - (#210)

PURPOSE

In it's report to Govenor Goldschmidt in October 1988, the Governor's Commission on Psychiatric Inpatient Services identified alarming deficiencies in Oregon state hospitals and community services.

To improve the quality of state hospitals and increase access to needed inpatient and follow-up care, the Commission recommended that the role of state hospitals be limited to the provision of intermediate and long-term rehabilitation and that psychiatric patients in the acute phase of their illness be diverted to specialized local or regional hospital-based programs. The Commission also noted that the success of these regional inpatient programs would depend on the development of related crisis, outpatient and residential programs to provide follow-up services to patients discharged from acute care.

This package will take the first step in a plan spanning several biennia to accomplish this system change. Initially, two additional regional inpatient programs will be developed serving persons from the Portland and Metropolitan area, and southwestern Oregon. A similar program was initiated in Lane County during 1987-89. This proposal assumes that these inpatient services will be provided in community hospital settings to which private as well as publicly-funded patients will be admitted. The budget is based upon 24-bed dedicated units in southwestern and Metropolitan Portland. Half of the beds in each unit will be publicly-funded under this initiative. The specific character of the units implemented may differ dependent upon the nature of the proposals received and the requirements of providers. The Division anticipates siting these beds through competitive bidding and negotiating contracts directly with interested hospitals and community mental health programs in partnership.

Needed support, treatment and residential services will be contracted to counties served by both regional units. County mental health programs will provide crisis evaluation of persons needing inpatient care, and will develop an array of community services to which treated individuals may be discharged. Presently, the lack of such services is a major barrier to discharge from state hospitals and leads to extended length of stay. More specifically, a recent report of an M-ED Residential Task Force noted the scarcity of specialized housing options and residential services which are essential to assuring a stable community tenure for the most disabled persons with serious mental illness.

These additional regional inpatient and related follow-up services will have a small positive impact on the flow of acutely ill patients to Dammasch State Hospital. More importantly, these services will establish a basis for the future development of comparable services statewide.

HOW ACCOMPLISHED

1. Establishes two regional psychiatric inpatient units to which most persons placed on emergency holds would be admitted. Voluntary patients in psychiatric crisis will also have access to admission. The following units will be implemented during the 1989-91 biennium.

   o Southwestern Oregon: a 24-bed unit operating for 14 months
   o Portland Metro Area: a 24-bed unit operating for 11 months.

   These units will serve more than 1,800 presons from counties in their catchment areas, most of whom will be diverted from admission to state hospitals.

2. Provides to those served the support, treatment and residential services needed upon discharge from the inpatient units to prevent costly delays in placement, decrease inappropriate readmission, and prevent transfer to a state hospital.

STAFFING IMPACT: None.

REVENUE SOURCES: General Fund $3,000,000 Federal Funds (Title XIX) $1,236,220

Fiscal Impact - Community Contracts

SERVICES	UNITS OF SERVICE	COST	TOTAL	FUND SOURCE	FUND TYPE
Inpatient Care	48	$350/day(24 beds publicly funded)	3,001,046	1,898,697 1,102,349	GF FF
Community Support	180	$7080/slot/bien	513,844	441,906 71,938	GF FF
Community Treatment	128	$3259/slot/bien	171,993	147,914 24,079	GF FF
Semi-Independent Living	146	$4497/slot/bien	270,390	232,536 37,854	GF FF
Adult Foster Care	25	$3970/slot/bien	37,950	37,950	GF
Residential Care	10	$135,000/year	157,473	157,473	GF
Evaluation (2% ORS 430.665(4))			83,525	83,525	GF
			$4,236,220	3,000,000 1,236,220	GF FF

BK:c
483p-47c
Revised 5-3-89

CRIME PREVENTION PROGRAM: Juvenile Gang Component

The Department of Human Resources, Children's Services Division, proposes a $2.0 million package to respond to juvenile gang-related crime in Oregon. This package would build upon state efforts initiated in September 1988 by adding 30 beds in close custody facilities and providing funds to transition youth back into communities following their training school program.

Since September 1988, there have been an average of 5.3 gang-affiliated youth each month committed to CSD for placement at the training schools. Since 73% of the gang-affiliated youth committed to date have serious or violent criminal backgrounds, we project for them an average close-custody stay of 9 months. The other 27% will average 4 months in close custody.

In addition to new commitments, some previously paroled gang members are beginning to return to close custody for violating parole conditions. If gang-affiliated parolees follow the same rate of violations as other parolees, we can predict that approximately 40% will return to close custody within one year of their release unless new community transition programs can be added.

Using these assumptions, we project the need for a total of 70 beds for gang-affiliated youth by the end of June 1991. This is an increase of 30 beds over CSD's continuing level budget. A 15-bed cottage would be required for 24 months, a second 15-bed cottage for 17 months. The General Funds required for these 30 beds is $1,480,688.

This package will help stabilize youth returning to the community by adding one parole officer at $53,997 and using $465,315 to purchase individually planned services, including alternative education programs, job training and employment placement.

These are the Priorities established between VR & W & M

NR Subcommittee — They are NOT reflected in ONR's Priorities —

only 1 at 100K & parts of 2 & 3 at 300K show up & NO Supported Work Retraining!

Issue	Clients Served	FTE	GF	FF	TF
1 P&E Unit	---	2.0	79,059	276,263	355,322
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Total	1,367	11.5	667,434	2,310,511	2,977,945

The BVR Program includes: The establishment grant for the Dammasch project (139,986 TF), BVR Field Support (301,580 TF), QA Manager (108,101 TF), the original BVR Program Enhancement (666,256 TF), and the funds from the Admin and BVR AWISP packages (331,604 TF- 1 add'l counselor and the rest in case services to serve an add'l 150 clients).

Please keep in mind that these funds include direct program AND program support.

Kay Hutchison has recommended that VRD and MHD resolve the Dammasch issue at the August, 1989 E-Board as a technical adjustment. She will reduce the BVR Program $ above by the 139,986 Total Funds so it can be reserved for the E-Board. I have contacted Barbara Groves at DHR and Karen Olson at MHD and they concur with the E-Board concept. We do need to make this an official agreement in writing.

5/16/89

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
140 STATE CAPITOL BUILDING
SALEM, OREGON 97310-1347

LEGISLATIVE REVENUE OFFICER
JAMES R. SCHERZINGER
AREA CODE 503
378-8873

FORECAST SUMMARY
May 1989

NEW FACTS FOR FIRST QUARTER 1989

	March Forecast	Actuals	Change
Employment	1,182,730	1,183,140	+ 410
Hourly Earnings-manuf	$10.84	$10.84	0
Personal Income (bil)	$44.34	$43.93	-$0.41
Taxes Withheld (mil)	$352.4	$350.0	-$2.4

ECONOMIC FORECAST: CHANGE FROM MARCH FORECAST

- Employment down 2,445 by the end of the 1989-91 biennium.
- Personal income down $1.27 billion by the end of the 1989-91 biennium. Growth rate down 0.7%.

6

LATEST REVENUE DATA
(First Quarter - 1989)

	March Forecast	Actual	Difference
Personal Income Tax			
Withholding	$352.4	$350.0	- 2.4
Other less Refunds	+ 4.6	+ 70.1	+ 65.5
Total Personal	$357.0	$420.1	+ 63.1
Total Corporate	$16.0	$18.6	+ 2.6

- Withholding on target.
- Other payments $20.9 million over forecast and refunds $44.7 million below forecast.

1987-89

CHANGE IN REVENUE FORECAST

General Fund	March Forecast	May Forecast	Difference
Personal	$2,877.6	$2,960.0	+82.4
Corporate	322.4	335.2	+12.8
Other	466.5	457.1	- 9.4
Total Revenue	$3,666.5	$3,752.3	+85.8

1987-89 REVENUE FORECAST

- Personal income tax revenue up $82.4 million with 7 quarters in the bank.
- Forecast for the remaining quarter increased $20.1 million.

EFFECT ON 2% KICKER

Revenue Source	Close of Session	2% Kicker Threshold	May Forecast
Personal and Other	$3,302.0	$3,368.0	$3,417.1
Corporation	288.3	294.1	335.2

REFUNDS IMPLIED BY THE MAY FORECAST

Personal: $115.1 million IN 1989 tax year (about 7%).

Corporate: $46.9 million in 1989 tax year Up $12.8 million from March.

EFFECT ON ENDING BALANCE

General Fund	March Forecast	May Forecast	Difference
Beginning Balance	$235.5	$235.5	-
Revenue	3,666.5	3,752.3	+85.8
Total Resources	3,902.0	3,987.8	+85.8
Appropriations	3,733.9	3,733.9	-
Reversions	-10.0	-1.0	+ 9.0
Legislative Action	0.	12.9	+12.9
Total Appropriations	3,723.9	3,745.8	21.9
Ending Balance	178.1	242.0	+63.9

1987-89 ENDING BALANCE

- o Ending balance increased by $85.8 million due to revenue increases.
- o Ending balance decreased by $21.9 million due to reduced reversions and appropriations to Human Resources this Session.

1989-91

General Fund	March Forecast	May Forecast	Difference
Personal	$3,733.3	$3,646.5	-86.8
Corporate	320.8	315.5	- 5.3
Other	473.4	477.7	+ 4.3
Beginning Balance	178.1	242.0	+63.9
Total Resources	$4,705.6	$4,681.7	-23.9

1989-91 REVENUE FORECAST

- $28.3 million revenue increase from personal income tax is turned into a loss by $115.1 million "kicker" refund.
- $7.5 million corporate increase is more than offset by $12.8 million increase in kicker.

EFFECT ON SPENDING LIMIT

Spending	1987-89	1989-91	
Inside Limit	$3,568	$4,062	(13.82% growth)
Outside Limit	167	95	(incl. SB 802)
Total Appropriations	$3,735	$4,157	
Resources		$4,682	
Excess Resources		$525	

- Spending limit unchanged.
- Excess resources down from $599 million to $575 million.

1991-93

General Fund	March Forecast	May Forecast	Difference
Personal	$4,298.9	$4,337.9	+39.0
Corporate	435.0	457.5	+22.5
Other	493.3	498.2	+ 4.9
Total Revenue	$5,227.2	$5,293.6	+66.4

1991-93 REVENUE FORECAST

- Across the board mild improvement over March forecase.
- May forecast of growth during 1991-93 biennium:
  9.1% yearly for personal income tax.
  9.8% yearly for all other revenues.

DATE SUBMITTED 5/9/89

(For Clerk's Use)
Meeting Date ~~5/16/89~~ 5/16/89
Agenda No. ~~Cont. to 5/18/89~~

REQUEST FOR PLACEMENT ON THE AGENDA
Follow Up Briefing on
Subject: MERC Consolidation Financial Report

Informal Only* 5/16/89 (Date)   Formal Only ______ (Date)

DEPARTMENT County Chair's Office   DIVISION ______

CONTACT Hank Miggins   TELEPHONE 248-3308

*NAME(s) OF PERSON MAKING PRESENTATION TO BOARD Paul Yarborough

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Staff report and recommendations on MERC configuration and facilities transfer.

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

[XX] INFORMATION ONLY [ ] PRELIMINARY APPROVAL [ ] POLICY DIRECTION [ ] APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA 1 hour

IMPACT:

[ ] PERSONNEL

[ ] FISCAL/BUDGETARY

[ ] General Fund

[ ] Other ______

1989 MAY -9 PM 2:25
BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY OREGON

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: Gladys McCoy

BUDGET / PERSONNEL ______ / ______

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) ______

OTHER ______
(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.

(8/84)

5/11/89

EXPO CENTER

	88/89	1991	1992	1993	1994	1995	1996	1997	1998
Cash Flow From Operation:	864,809	885,065	895,333	905,695	916,151	926,702	937,347	948,086	958,920
Management Fee	80,658	83,917	85,595	87,307	89,053	90,834	92,651	94,504	96,394
Metro Overhead	27,533	28,645	29,218	29,802	30,399	31,007	31,627	32,259	32,904
Sub-Total (Profit)	973,000	997,627	1,010,146	1,022,804	1,035,603	1,048,543	1,061,625	1,074,849	1,088,218
*Capital	145,950	149,644	151,522	153,421	155,340	157,281	159,244	161,227	163,233
Net Profit	827,050	847,983	858,624	869,383	880,263	891,262	902,381	913,622	924,985

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Cash Flow From Operation:	969,849	980,873	991,991	1,003,205	1,014,513	1,025,916	1,037,414	1,049,006	1,060,694
Management Fee	98,322	100,288	102,294	104,340	106,427	108,555	110,726	112,941	115,199
Metro Overhead	33,562	34,234	34,918	35,617	36,329	37,056	37,797	38,553	39,324
Sub-Total (Profit)	1,101,733	1,115,395	1,129,203	1,143,162	1,157,269	1,171,527	1,185,937	1,200,500	1,215,217
*Capital	165,260	167,309	169,380	171,474	173,590	175,729	177,891	180,075	182,283
Net Profit	936,473	948,086	959,823	971,688	983,679	995,798	1,008,046	1,020,425	1,032,934

	2008	2009	2010	TOTAL
Cash Flow From Operation:	1,072,475	1,084,351	1,096,320	20,624,715
Management Fee	117,503	119,854	122,251	2,119,613
Metro Overhead	40,110	40,912	41,731	723,537
Sub-Total (Profit)	1,230,088	1,245,117	1,260,302	23,467,865
*Capital	184,513	186,768	189,045	3,520,180
Net Profit	1,045,575	1,058,349	1,071,257	19,947,685

*Capital 15% of Expo profit

MULTNOMAH COUNTY OREGON

DEPARTMENT OF ENVIRONMENTAL SERVICES
2115 S.E. MORRISON
PORTLAND, OREGON 97214
(503) 248-5000

MEMORANDUM

TO: Board of County Commissioners

FROM: Paul Yarborough, Director, DES
Dave Boyer, Director, Finance
Bill McKinley, Manager, Expo Center

DATE: May 9, 1989

RE: Proposed Consolidation of Regional Convention, Trade, and Spectator Facilities

---

Multnomah County has been a major participant in creating and financing the Oregon Convention Center. It must be noted, however, that the Board of County Commissioners has never accepted or rejected a related proposal to include the County Expo Center in a consolidation of regional facilities.

The Consolidation Concept

The Master Plan for Regional Convention, Trade, and Spectator Facilities completed in 1986 presented the concept of consolidating the Convention Center with the City Memorial Coliseum and the County Expo Center, and managing operations under a quasi-governmental commission. Economies of scale from unified management and marketing were asserted, but have not been documented except for staffing the Coliseum and Convention Center.

It was understood at the outset, in 1986, that the Oregon Convention Center would have an operating deficit; and that was provided for by Multnomah County through an increased Lodging Tax. It was also known in 1986 that, not only was the City Coliseum located near the Convention Center site, but it was a significant money-maker even though it supported the Civic Stadium operating deficit.

The County Expo center was viewed as a nice profit maker that might become more profitable under joint management even though it is remote to the Convention Center site.

New Complications

Since 1986, the issues of consolidation have become more complicated, financially and politically. The City Coliseum now carries the added deficit of the Portland Center for the Performing Arts. The County Expo Center is even more profitable than in 1986, and consequently more important to the County's General Fund.

Latest Financial Studies

The April, 1989, Laventhol and Horwath Study: Financial Analysis for the Proposed Consolidation of Regional Convention, Trade and Spectator Facilities - Portland, Oregon, examines financial issues for several consolidation scenarios both with and without the Expo Center.

This analysis provides useful information on consolidation from a regional viewpoint:

- The Multnomah County Lodging Tax (or an alternative tax) will be needed for operating deficits and capital needs of the other consolidated facilities.
- The County Expo Center and City Coliseum are the money makers and could help carry operating deficits and capital needs of the PCPA, Civic Stadium, and Convention Center.
- The Expo Center, along with the other facilities, would financially assist with a share of the METRO overhead, and a share of the "management pool" costs drawn from combined portions of the Convention Center and Coliseum administrations.

From the Multnomah County point of view, the key assumptions of the study are:

- The County would be willing to redefine the uses of the Lodging Tax to cover operating deficits and capital improvements for the other facilities.
- The County would be willing to make Expo available for consolidation; and all Expo profits would be available for the mix of operating deficits, capital needs, management fees, and METRO overhead.

Information That Is Not Available

These financial studies do not address the list of questions submitted by Paul Yarborough to Rena Cusma in the letter (Attachment 1) dated August 3, 1988.

Following are the questions and our comments:

Question:

1) What are the mutual benefits and costs of a coordinated, or consolidated marketing service?

2) What are the mutual benefits and costs of a contracted Expo Center management?

Comment:

- The Laventhol and Horwath Study identifies a "management pool" of 15 top management, marketing, special services, and support positions from the Coliseum and Convention Center. These positions cost $806,583 in FY 88-89 and are assumed to benefit all consolidated facilities to some degree. The Expo Center benefit is estimated at 10% of the total - $80,658 in FY 88-89.

- This would not replace or reduce Expo staff. It would, in effect, increase the Expo administration and marketing costs by one quarter to one third (depending on inclusion or exclusion of County Fair Management and METRO overhead).

- The study does not forecast any equivalent increase in Expo gross revenues; therefore, we conclude no marketing benefit would accrue and contracted management would offer no advantage to the County for Expo operations.

- The study does indicate some financial benefit from consolidation to the Convention Center and the Coliseum, both of which have large, expensive management and marketing staffs on board, or planned. Presumably, a number of positions could be eliminated.

Question:

3) Can the present contribution to the County General Fund from Expo Center profits be maintained or improved under the MERC?

Comment:

- The answer to this question is clearly <u>no</u>, if the Expo Center is expected to carry a share of the Coliseum, Convention Center, and Metro administration overhead costs, or to help cover their operating and capital improvement deficits. In fact, a consolidation which includes the Expo Center could potentially conflict with County goals for the Expo Center adopted by the Board in 1985, in particular the stated objectives ".......to produce revenue for the County" and "to promote profitability in the most cost effective manner possible." (See Attachment 2)

Question:

4) If a transfer of Expo Center ownership is made, how will the County be compensated for the market value of land and buildings, and what are the mutual advantages of a sale?

Comment:

- Since METRO/MERC is going to be a deficit operation, there would be no funding source for a purchase except from the Lodging Tax Revenues already provided by the County, or from Expo profits. There appears to be no County advantage from a sale.

Question:

5) If no form of merger occurs, what are the specific losses to the general public interest? And what are the specific disadvantages or negative impacts on the Convention Center?

Comment:

* - There is no predicted negative impact on the Convention Center if Expo is not part of the consolidation. The Convention Center deficit is already covered by the Multnomah County Lodging Tax. Expo is not competing for convention business. It is in a location remote to the Convention Center and would neither contribute nor receive benefits from a merger.

The "ERC" or "MERC" commission style of governance is often touted as more efficient than a direct city government or METRO management, and that may or may not be true. We have no information to use as a basis for evaluation. But, we are clear that the County government operates a very successful Expo Center with lower administrative and overhead costs as documented by the various models in the Laventhol and Horwath Study.

*Information received 5/11/89: Construction bonds have not covered all OCC development costs. Lodging Tax Revenues have been needed for major equipment, reducing the reserve available for early year operating deficits.

Other Issues of County Concern:

1) City of Portland/METRO Consolidation Negotiations:

Consultants to the City of Portland have described the following issues as needing resolution prior to consolidation of all but ownership:

- Identification of operating savings, revenue increases, and efficiencies that consolidation would produce.
- Agreement on the best form of consolidated management.
- High METRO overhead requirements, the level of METRO control over MERC, and METRO stability and resources.
- Ability of MERC to enhance the long-term financial stability of ERC (city owned) facilities.
- Agreement on a set of goals and objectives for operating the facilities. (See Attachment 3)

Comment:

The City should be concerned with the above issues, but the County needs to keep in mind that merging a package of deficit operations with the Convention Center was not part of the 1986 master plan.

Since Multnomah County provides the primary source of Convention Center supplemental funding, with the County-wide Lodging Tax increase, assumption by MERC of any added deficit operations is a direct County concern.

2) Expanded Use of Multnomah County Lodging Tax

- Use of the Lodging Tax for any purpose outside of the Convention Center would require Multnomah County Board action to revise the governing County ordinance. This is a major policy issue.

  One of the "deficit" operations being considered for consideration is the Portland Center for Performing Arts (PCPA). A city ballot proposition to fund the PCPA operating deficit from a city Lodging Tax was overwhelmingly rejected by voters in 1987.

3) MERC Autonomy and Structure

City of Portland representatives have been negotiating (or discussing) with METRO various issues including the degree of METRO authority over the MERC, and possible expansion of city representation on MERC.

These are regional issues. MERC is an appointed body and the question is whether there should be oversight by an elected, representative form of government.

The structure/representation on MERC is also a regional issue, that cannot be settled by Portland and METRO without concurrence of the three counties.

Recommendations

1) The Board of County Commissioners needs to clarify its intent. There is no documented need or benefit to the Expo Center or the Convention Center itself from partial or complete merger. There would be added overhead and management fees assigned to the Expo Center by partial merger and a major loss to the County General Fund by a complete merger.

   The Board should oppose inclusion of the Expo Center in any consolidation.

2) **The Board should oppose any consolidation that transfers facilities with operating deficits,** unless such transfers include supporting revenue. Any such consolidation should include a guaranteed level of support until such time that METRO is able to develop new replacement resources.

3) **The Board should not amend the Lodging Tax to cover the PCPA without voter approval.** The caution here is that this is a city incurred obligation and city voters have recently rejected that funding source. The Multnomah County Code specifies the use of Lodging Tax funds for "the Convention Center and no other purpose." (See Attachment 4 - County Counsel opinion of May 5, 1989.)

4) **MERC should continue to be accountable to METRO for the Oregon Convention Center.** If high METRO overhead is a concern, that should be directly addressed and resolved, but a non-elected, quasi-governmental commission should not have independent authority to manage public resources. METRO is the existing regional government with an elected, representative council and is the appropriate agency to oversee management of the Oregon Convention Center.

5) **Multnomah County should have a larger, on-going representation on MERC,** because of this County's disproportionate financial support. The initial organization of MERC provided two nominees for each from the City of Portland and METRO, and one nominee from each of the three counties. This should be changed so that Multnomah County has representation on MERC equal to that of the City of Portland and METRO.

If you have questions or need additional information, do not hesitate to contact us.

(Attachment 1)

MULTNOMAH COUNTY OREGON

DEPARTMENT OF ENVIRONMENTAL SERVICES
2115 S.E. MORRISON
PORTLAND, OREGON 97214
(503) 248-5000

August 3, 1988

Rena Cusma
Executive Officer
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201

Dear Rena:

I enjoyed the lunch on July 22 with you, Jim Durham, and Don Rocks.

As we discussed, Multnomah County has been very supportive of the Oregon Convention Center Development with substantial ongoing financial support by way of the Transient Lodging tax, and participation in the special assessment district.

However, the County Board has never agreed to turn over management, income, or ownership of the County Expo Center to Metro, or to a Metropolitan ERC. The Expo Center has become increasingly profitable to the County, and the Board has come to rely on those profits as an important General Fund resource. We expect our Expo profits to increase further, and have not seen any information that would lead us to conclude that the Expo Center and the Convention Center would be competitors with a consequent income reduction. It is possible that may be the case, but we don't know that at this time.

We are open to possibility of joint management, or coordinated marketing, and we have previously informed your staff that we think it is prudent to wait until the Convention Center operation is up and running and has a demonstrated track record. We still think that is the more logical time to explore advantages of joint management, or a marketing service.

To summarize, we see the following as questions to be answered:

1) What are the mutual benefits and costs of a coordinated, or consolidated marketing service?

2) What are the mutual benefits and costs of a contracted Expo Center management?

3R/0185R

3) Can the present contribution to the County General Fund from Expo Center profits be maintained and improved under the Metro ERC?

4) If a transfer of Expo Center ownership is made, how will the County be compensated for the market value of land and buildings, and what are the mutual advantages of a sale?

5) If no form of merger occurs, what are the specific losses to the general public interest? And what are the specific disadvantages or negative impacts on the Convention Center?

I'm sure there are many other issues. I look forward to further discussions with Jim Durham or you.

Sincerely,

Paul

Paul Yarborough
Director, DES

cak

cc: Gladys McCoy
Fred Neal
Board County Commissioners
Jim Durham
Mike Lindberg

3R/0185R

(Attachment 2)

BEFORE THE BOARD OF COMMISSIONERS

MULTNOMAH COUNTY, OREGON

A Resolution Adopting Goals and Objectives for the Multnomah County Exposition Center and Affirming Commitment to Future Resources for the On-Going Maintenance and Improvement of the Facility.	)	RESOLUTION

WHEREAS, the Multnomah County Exposition Center is recognized as a valuable public asset of regional character due to its strategic location and its history of providing venue for events important to the regional economy and recreation; and

WHEREAS, by resolution dated July 25, 1985, the Board of County Commissioners for Multnomah County accepted the report of the Multnomah County Exposition Center Task Force, dated June 11, 1985; and

WHEREAS, said report recommended specific actions to be taken in order to preserve the value of the Exposition Center and optimize the facility's usage and profitability; and

WHEREAS, similar recommendations were submitted by the Multnomah County Auditor in her report dated September, 1983; and

WHEREAS, the activities held at the Exposition Center currently produce income to Multnomah County in excess of the costs of operating the facility; and

WHEREAS, the profitibility of the Exposition Center is largely a function of adequate maintenance of the facility; and it appears that profitability of the Center will be enhanced by on-going improvements to the buildings and property; now, therefore,

BE IT RESOLVED, that:

1) The Multnomah County Board of Commissioners hereby adopts the goals and objectives for the Multnomah County Exposition Center as recommended by said Task Force, as follows:

<u>GOAL</u>: To provide an attractive, multi-purpose public assembly facility as a public service to accomodate activities which benefit the community.

Objective: To preserve the value of the facility as a capital asset through adequate maintenance in order to produce revenue for the County.
Objective: To increase usage of the facility.
Objective: To promote profitability in the most cost effective manner possible.

2) In support of these goals and objectives, the Multnomah County Board of Commissioners hereby affirms its commitment to provide those financial resources, to the extent possible, necessary to make reasonable improvements to the facility and to ensure the ongoing maintenance of the Exposition Center in an adequate manner.

3) In particular, revenues produced by the activities held at the Multnomah County Exposition Center in excess of the operating costs of the Center shall be accounted for as general revenues of Multnomah County and that no less than fifteen percent (15%) of revenues in excess of operating costs shall be dedicated to capital projects and maintenance of the Exposition Center, to be appropriated by the Board of County Commissioners in the annual budget of Multnomah County.

ADOPTED this 15 day of August, 1985.

(Seal)

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

BY Earl Blumenauer
Presiding Officer

APPROVED AS TO FORM:

JOHN LEAHY, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

BY [signature]
Deputy County Counsel

(Attachment 3)

DRAFT (11/88)

City of Portland Policy on
Consolidating the ERC Operations
with the Convention Center

Basic Principles

A. There are many different forms of consolidation which can be achieved by merging various combinations of functions, resources, and authorities.

B. The relative merits of these forms of consolidation are measured by how well they meet City and regional goals and objectives for operation of the facilities.

C. Because the goals and level of organizational development of the City of Portland and Metro are different, their assessments of the relative merits of various forms of consolidation may be different.

D. To approach the consolidation issue constructively, the City should define a range of options it will consider for purposes of initiating substantive discussions with Metro. These options should be based on a technical analysis of the relationship of various forms of consolidation to City goals and objectives for operation of the facilities.

E. In selecting a course of action, the City should be sensitive to the risks and uncertainties that could affect its assets. The City therefore should consider a phased implementation strategy that minimizes risks and uncertainties.

Conclusions

Based on technical analyses of the relationship of various forms of consolidation to the goals and objectives shown in Exhibit A, the City Council draws the following conclusions as a basis for initiating discussions with Metro:

1. It is in the interest of the City and the region to consolidate certain operations, functions, and authorities of the ERC and MERC (and possibly of the Multnomah County Exposition Center) to achieve:

    a. Savings in personnel and purchasing costs;
    b. Increased revenues from concession and similar contracts;
    c. Coordinated and mutually supportive policies among facilities, such as in the area of event spacing;
    d. Coordinated marketing.

2. The City will consider entering into an intergovernmental agreement establishing any of the following forms of consolidation, or any combination thereof:

   a. Consolidating operations through the establishment of a Joint Operating Agency (JOA) in which both ERC and MERC facilities are operated by a jointly established, independent commission empowered to operate all facilities.
   b. Consolidating operations through the establishment of a joint management staff.
   c. Consolidating operations through the establishment of joint operating policies for such items as marketing, booking, purchasing, and contracting for services.
   d. Consolidating operations through the provision of ERC operating and/or overhead staff to MERC or a Joint Operating Agency.

3. It is not judicious for the City to consider transferring its facilities, financial resources, or staff to Metro at this time, for the following reasons:

   a. The form and function of Metro will be examined in the 1989 Legislative Session, thereby creating uncertainty as to whom or what these assets would be transferred.
   b. The current Metro overhead requirements appear likely to exacerbate financial problems for the ERC.
   c. It is possible that the current level of government control estaablished by Metro over MERC operations would produce inefficiencies in the operation of ERC facilities.
   d. A majority of the benefits of consolidation can be achieved without accepting these risks or problems.

4. The City will consider transferring all but ownership of the physical assets of the ERC to MERC, over the long term, as certain conditions are met relating to:

   a. The stability of Metro's structure, including enabling statutes, organizational form, purpose and functions, and long-term financing.
   b. The autonomy of MERC;
   c. The ability of MERC to enhance the long-term financial stability of ERC facilities.
   d. Operation of the facilities in accord with a set of mutually agreeable goals and objectives.

(Attachment 4)

MAY 8 REC'D

MULTNOMAH COUNTY OREGON

OFFICE OF COUNTY COUNSEL
1120 S.W. FIFTH AVENUE, SUITE 1530
P.O. BOX 849
PORTLAND, OREGON 97207-0849
(503) 248-3138

M E M O R A N D U M

TO: Dave Boyer
Finance Director (106/1430)

FROM: Paul G. Mackey
Assistant County Counsel (106/1530)

DATE: May 5, 1989

RE: Transient Lodging Tax and Convention and Trade Show Center

You ask whether the Convention and Trade Show Center Special Fund, created by MCC 5.50.050(b), can be applied to the use of other facilities if the convention center management and operation is consolidated with other facilities, such as the Performing Arts Center or Coliseum. In my judgment, that fund may not be applied to the use of other than the convention center.

The "Convention and Trade Show Center" is specifically required in the code to meet certain dimensional requirements as well as to accommodate a quantified population of users. MCC 5.50.050(B)(1)(a). The code specifies further the use of the fund both before and after voter approval of financing bonds, in each instance associated with the convention center and no other purpose. MCC 5.50.050(2) and (3). Finally, the code requires the three-eighths of the eight percent tax allocated to the Convention Center Fund to be due and payable by persons subject to the code regardless of any amount due to any incorporated city or town within the County for the same occupancy taxable under the code. MCC 5.50.050(7).

It is clear that the drafters of the amendment to the transient lodging ordinance contemplated the development and operation of a convention center with the proceeds generated by the additional transient lodging tax. If the voters had not approved the financing of the center, the additional funds were to be applied to the promotion, solicitation, procurement and services of convention business or tourism in the County. MCC 5.50.050(5)(a). Certainly that does not indicate a willingness to support other types of civic activities, such as performing arts or athletic facilities.

Accordingly, I advise that the specific fund created for the convention center development and operation by use of a portion of transient lodging taxes is restricted to that purpose and may not be diverted to the use and benefit of other facilities.

4640R/dp

(Underlined sections are new or replacements; [bracketed] sections are deleted.)

BEFORE THE BOARD OF COMMISSIONERS

FOR THE COUNTY OF MULTNOMAH

ORDINANCE NO. 488

An Ordinance relating to the transient lodgings tax; amending M.C.C. 5.50.050.

Multnomah County ordains as follows:

SECTION 1. AMENDMENT.

M.C.C. 5.50.050 is amended to read as follows:

5.50.050 **Tax imposed.** For the privilege of occupancy in any hotel in Multnomah County, Oregon, on and after July 15, 1972, each transient shall pay a tax in the amount of [five] eight percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the county which is extinguished only by payment by the operator to the county. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. The operator shall enter the tax on his records when rent is collected if the operator keeps records on the cash accounting basis and when earned if the operator keeps records on the accrual accounting basis. If rent is paid in installments, a proportionate share of the tax shall be paid by the transient to the operator with each installment. In all cases the rent paid or charged for occupancy shall exclude the sale of any goods, services and commodities, other than the furnishing of rooms, accommodations and space occupancy in mobile home parks or trailer parks. Proceeds of the tax shall be allocated as provided for in subsections (A) and (B) of this section.

(A) Five-eighths of the proceeds of the eight percent tax imposed by this section of the Multnomah County Code shall be allocated to the Multnomah County General Fund, and shall be available for any purposes for which expenditures from the General Fund are authorized.

(B) Three-eighths of the proceeds of the eight percent tax imposed by this section of the Multnomah County Code shall be allocated to the Convention and Trade Show Center Special Fund, which is hereby created. The Convention Center Special Fund is subject to the following limitations:

(1) As used in this section of the Multnomah County Code:

(a) "Convention and Trade Show Center" means a new or improved facility, located in Multnomah County, capable of attracting and accommodating mid-size convention and trade shows from international, national and regional markets requiring 125,000-250,000 square feet of pillar-free, high ceiling exhibition space and 35,000-70,000 square feet of meeting rooms plus associated space including but not limited to banquet facilities, loading areas, lobby and registration areas.

(b) "Operating expenses" means the total cost of all labor, benefits, overhead, maintenance, materials and services incurred by the operator of the convention center in administering and operating events held in the Convention and Trade Show Center and in obtaining events to be held there.

(c) "Voters" means the qualified electors of the county or district requesting authorization to issue general obligation bonds to finance or partially finance construction of the Convention and Trade Show Center.

(2) Before voters approve issuance of general obligation bonds to finance or partially finance construction of the Convention and Trade Show Center or before financing for construction has been obtained by some other means, funds deposited in the Convention and Trade Show Center Special Fund

may be used for activities necessary for development of the Convention and Trade Show Center including:

(a) Obtaining soils test borings;

(b) Obtaining topographic and boundary surveys;

(c) Obtaining Architectural/ Engineering Designs;

(d) Finalizing project program and budget;

(e) Performing preliminary design studies;

(f) Performing final design studies;

(g) Obtaining site and landscape planning;

(h) Preparing bid and construction documents;

(i) Preparing detailed cost estimates;

(j) Preparing special design/engineering evaluations, including evaluation of:

(i) Alternate construction methods and materials,

(ii) Electrical and Mechanical systems,

(iii) Structural,

(iv) Equipment;

(k) Preparation of a cash flow statement;

(l) Preparation of a marketing and operations plan and cost estimate;

(m) Preparation of an engineering design of off-site facilities, including:

(i) An evaluation of road relocations and right-of-way work,

(ii) Evaluation of utility relocations,

(iii) Evaluation of traffic and transportation systems;

(n) Preparation of technical backup for grant applications and taxing districts (LID);

(o) Obtaining governmental reviews and approvals, including:

(i) Land-use,

(ii) Design review,

(iii) Building Code (fire, exiting, electrical, etc.);

(p) Site acquisition;

(3) After voters have approved issuance of general obligation bonds to finance or partially finance construction of the Convention and Trade Show Center or financing for construction has been obtained by some other means, funds deposited in the Convention and Trade Show Center Special Fund shall be used for the following purposes:

(a) first, to pay any expenses incurred on activities identified under M.C.C. 5.50.050(B)(2);

(b) second, if all expenses identified in subsection (a) above have been satisfied, to pay any unfunded annual operating expenses that may have been incurred by the Convention and Trade Show Center;

(c) third, if all expenses identified in subsection (a) above have been satisfied and if no otherwise unfunded annual operating expenses exist or if funds remain after the otherwise unfunded annual operating expenses have been paid, to provide for the promotion, solicitation, procurement, and service of convention business at the Convention and Trade Show Center to the extent necessary to fully implement the annual marketing program adopted by the operating county or district;

(d) fourth, if the needs identified in the foregoing subsections (a) through (c) have been fully satisfied, to pay ancillary costs associated with the development, construction and operation of the Convention and Trade Show Center, including but not limited to site acquisition costs and construction costs including financing of those costs.

(4) Earnings on proceeds allocated to the Convention and Trade Show Center Special Fund shall be credited to the Convention and Trade Show Center Special Fund.

(5) If the voters have not approved the issuance of general obligation bonds to finance or partially finance construction of the Convention and Trade Show Center by December 31, 1990, and if funding for construction has not been obtained by some other means by December 31, 1990, the following changes shall automatically occur:

(a) All funds in the Convention and Trade Show Center Special Fund shall be used exclusively for providing for the promotion, solicitation, procurement, and service of convention business or tourism in the county.

(b) The tax levied pursuant to M.C.C. 5.50.050 shall be automatically reduced from eight percent of the rent charged by the operator to five percent of the rent charged by the operator. All of the proceeds of the five percent tax shall be allocated to the Multnomah County General Fund and may be used for any purposes for which expenditures from the General Fund are authorized.

(6) The tax imposed by M.C.C. 5.50.050 is separate and independent of the tax imposed by M.C.C. 5.50.055. Nothing in M.C.C. 5.50.050 is intended or should be construed as modifying the one percent tax provided for by M.C.C. 5.50.055.

(7) Notwithstanding M.C.C. 5.50.575, no person subject to the tax imposed under M.C.C. 5.50.050 shall be entitled to a credit against the payment of that portion of the tax allocated to the Convention Center and Trade Show Center Special Fund. The three-eighths of the eight percent tax imposed by M.C.C. 5.50.050 that is allocated to the Convention Center and Trade Show Center Special Fund shall be due and payable in accordance with this chapter regardless of the amount due any incorporated city or town within Multnomah County for a Transient Lodgings Tax for the same occupancy made taxable under this chapter.

SECTION 2. ADOPTION.
This Ordinance, being necessary for the health, safety, and general welfare of the people of Multnomah County, shall take effect on April 1, 1986, pursuant to Section 5.50(1)(a) of the Charter of Multnomah County.

ADOPTED this 19th day of December, 1985, being the date of its second reading before the Board of County Commissioners of Multnomah County.

BOARD OF COUNTY COMMISSIONERS

By Earl Blumenauer/bd
Earl Blumenauer
Presiding Officer

AUTHENTICATED this 23rd day of December, 1985.

By Dennis Buchanan
Dennis Buchanan
County Executive

APPROVED AS TO FORM:

JOHN B. LEAHY, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

By Peter Kasting
Peter Kasting
Assistant County Counsel

2276C/jdm

5/16/89

EXPO CENTER

	88/89	1991	1992	1993	1994	1995	1996	1997	1998
Cash Flow From Operation:	864,809	885,065	895,333	905,695	916,151	926,702	937,347	948,086	958,920
Management Fee	80,658	83,917	85,595	87,307	89,053	90,834	92,651	94,504	96,394
Metro Overhead	27,533	28,645	29,218	29,802	30,399	31,007	31,627	32,259	32,904
Sub-Total (Profit)	973,000	997,627	1,010,146	1,022,804	1,035,603	1,048,543	1,061,625	1,074,849	1,088,218
*Capital	145,950	149,644	151,522	153,421	155,340	157,281	159,244	161,227	163,233
Net Profit	827,050	847,983	858,624	869,383	880,263	891,262	902,381	913,622	924,985

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Cash Flow From Operation:	969,849	980,873	991,991	1,003,205	1,014,513	1,025,916	1,037,414	1,049,006	1,060,694
Management Fee	98,322	100,288	102,294	104,340	106,427	108,555	110,726	112,941	115,199
Metro Overhead	33,562	34,234	34,918	35,617	36,329	37,056	37,797	38,553	39,324
Sub-Total (Profit)	1,101,733	1,115,395	1,129,203	1,143,162	1,157,269	1,171,527	1,185,937	1,200,500	1,215,217
*Capital	165,260	167,309	169,380	171,474	173,590	175,729	177,891	180,075	182,283
Net Profit	936,473	948,086	959,823	971,688	983,679	995,798	1,008,046	1,020,425	1,032,934

	2008	2009	2010	TOTAL
Cash Flow From Operation:	1,072,475	1,084,351	1,096,320	20,624,715
Management Fee	117,503	119,854	122,251	2,119,613
Metro Overhead	40,110	40,912	41,731	723,537
Sub-Total (Profit)	1,230,088	1,245,117	1,260,302	23,467,865
*Capital	184,513	186,768	189,045	3,520,180
Net Profit	1,045,575	1,058,349	1,071,257	19,947,685

Joss & Co.

*Capital 15% of Expo profit