

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON
ORDINANCE NO. 845

An ordinance amending MCC 5.50.050 (Transient Lodging Tax) to allow tax receipts to be used by Metro to finance construction of a new hall at the Expo Center.

Multnomah County ordains as follows:

Section 1. Purpose

A. Metro, through the Metropolitan Exposition-Recreation Commission (MERC), operates the Portland Expo Center under an intergovernmental agreement with Multnomah County, which owns the facility;

B. Metro and Multnomah County are developing an intergovernmental agreement to transfer ownership of Expo and certain County-owned parks and natural areas from the County to Metro;

C. Metro and MERC are considering the development of a new building on the Expo site, to improve Expo's marketability and exhibit space, and to accommodate the "America's Smithsonian" exhibit which is scheduled to occupy the proposed new Expo building for a forty-day exhibition in the spring of 1997. Planning activities are underway for the construction of the new exhibit hall at the Expo Center, which will contain 120,000 square feet of exhibit space. This project is projected to be completed by March of 1997 at a cost not to exceed \$13 million. The financing for the

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1 project is proposed to consist of \$9 million in Oregon Convention
2 Center reserves, \$1 million in Expo reserves, \$2.5 million from a
3 privately placed revenue bond, and \$500,000 (if needed) from other
4 sources that are currently being consulted. The most critical
5 component of the financing package is the \$9 million of Convention
6 Center funds, which constitutes approximately 70% of the proposed
7 funding. This money is needed to pay for the project to minimize
8 the debt load and finance this addition without additional tax
9 resources;

10 D. Construction of a new hall at Expo is consistent with the
11 Expo master plan developed by Multnomah County prior to the
12 transfer of the facility's management to Metro;

13 E. Multnomah County levies a 3% transient lodging tax whose
14 proceeds are largely dedicated to the operations, marketing, and
15 improvements of the Oregon Convention Center; and

16 F. Oregon Convention Center funds may not be used for the
17 Expo project without amendment of the County Code which restricts
18 the use of transient lodging tax funds to Convention Center
19 purposes;

20 G. The proposed Expo expansion will provide needed
21 flexibility for serving the public demand for use of Expo's
22 facilities, provide the venue for the 150th anniversary Smithsonian
23 exhibit, and serve to house traditional Expo events in the future
24 when necessary repairs and modifications are made to the existing
25 Expo facility.

26 H. The Metro Council has requested the Multnomah County

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Board of Commissioners to amend Section 5.50.050 of the Multnomah County Code to allow Oregon Convention Center funds to be expended on the construction of the new building at the Expo Center.

Section 2. Amendment

MCC 5.50.050(5) is amended to read as follows:

5.50.050. Tax Imposed.

* * * * *

(5) 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 to assist the lead agency for the following purposes:

(a) First, to pay any expenses incurred on activities identified under MCC 5.50.050(B)(4);

(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 lead agency;

(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

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acquisition costs and construction costs including financing of those costs;

- (e) Notwithstanding the limitation on spending in subparagraphs (a) through (d), an amount not to exceed \$70,000 one time only may be used by the lead agency for the promotion, solicitation, procurement, and service of the 1988 International Association of Chiefs of Police convention in Multnomah County.
- (f) Notwithstanding the limitations on spending in subparagraphs (a) through (e), Multnomah County may transfer an amount not to exceed \$100,000 per year, for three years beginning with fiscal year 1994-1995, as a special appropriation to the Regional Arts and Culture Council;
- (g) The transfer of funds for operation of the Portland Center for the Performing Arts and for the Regional Arts and Culture Council pursuant to subparagraphs (f) and (g) shall not be made if, prior to June 1 of any year, the Metro Council declares that an emergency requires the funds to be used for the Oregon Convention Center. Any such declaration shall be in writing and shall be transmitted from Metro to the Chair of Multnomah County. The circumstances pertaining to the Oregon Convention Center warranting a declaration of an emergency shall include, but not be limited to:
 - (i) Current resources except beginning fund balance do not meet current expenditures less renewal and replacement fund transfer and unappropriated balance;
 - (ii) Revenues from the tax drop by more than 25% in any year when measured against the prior year;
 - (iii) A major structural failure at the center (not otherwise insured) such that total reserves are insufficient to repair the damage without the use of all or part of the three-year \$2,100,000 commitment.
 - (iv) Or any other situation that threatens the normal operation of the convention center.

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(h) Notwithstanding the limitations on spending in subparagraphs (a) through (g), Metro may use an amount not to exceed \$9,000,000 total for the construction of a new exhibit hall at the Portland Exposition Center.

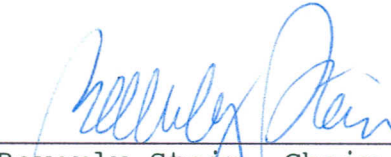
Section 3. Effective Date

This ordinance shall take effect (1) 30 days after it is signed by the Multnomah County Chair, and (2) upon approval by the Board of County Commissioners and the Metro Council of an agreement transferring Expo to Metro.

ADOPTED this 14th day of March, 1996, being the date of its second reading before the Board of County Commissioners of Multnomah County, Oregon.



BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON



Beverly Stein, Chair

REVIEWED:

LAURENCE KRESSEL, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON



Laurence Kressel

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