



Metro

# MERC financial update

Metro Council and MERC joint session

September 3, 2020



# Background

In late May 2020, the venues projected outcomes based on three scenarios:

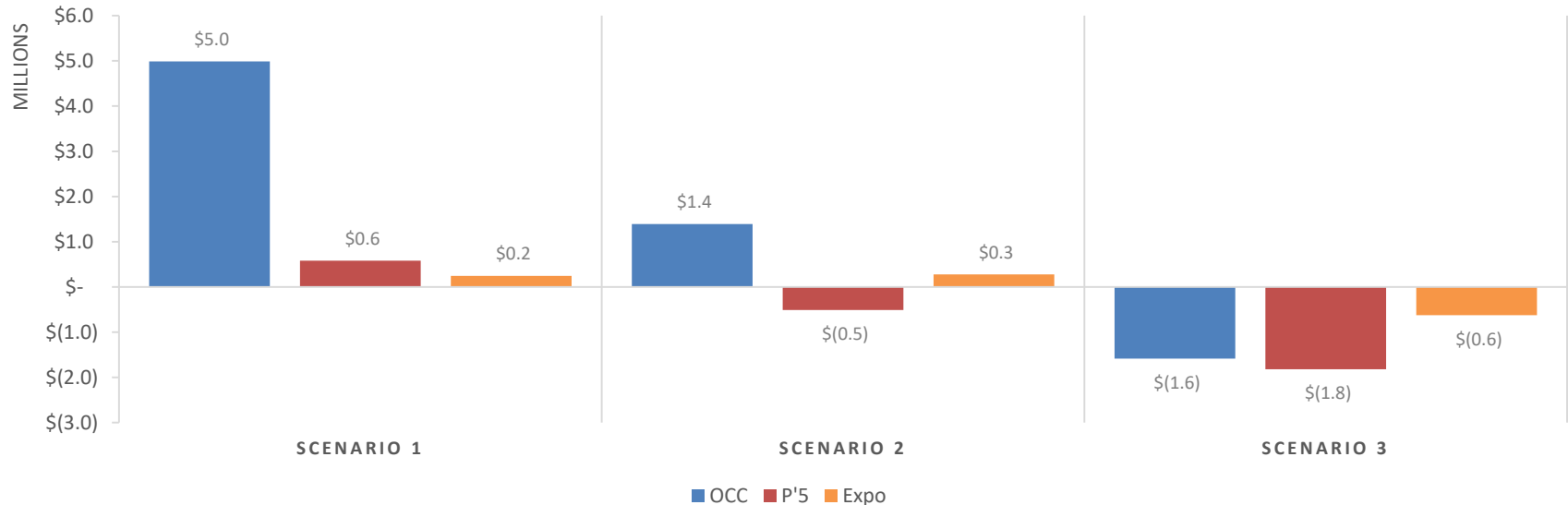
1. Reopening in October 2020
2. Reopening in January 2021
3. Reopening in June 2021

At that point scenario 2 seemed the most likely. Today we are seeing signs that scenario 3 could be the most likely.

# Background

Scenario 3 presented severe financial challenges at all venues.

**VENUE FUND BALANCE @ JUNE 30, 2021**



# Additional funding

- \$4.1 million from the State, with \$2.4 million coming to MERC
- \$1.6 million from the City to support P5

# Additional cuts

- P5 made additional staff reductions and extended 20% furloughs for non-reps
- OCC extended 20% furloughs for non-reps
- OCC reduced the Travel Portland contract to \$1.5 million (originally \$4.2 million)

# TLT Assumptions

Even without events OCC and P5 will see some revenue from Transient Lodging Tax.

TLT Excise Tax revenue:

- Down 90% through April 2021
- Down 75% May 2021 – June 2022
- No VFTA allocations

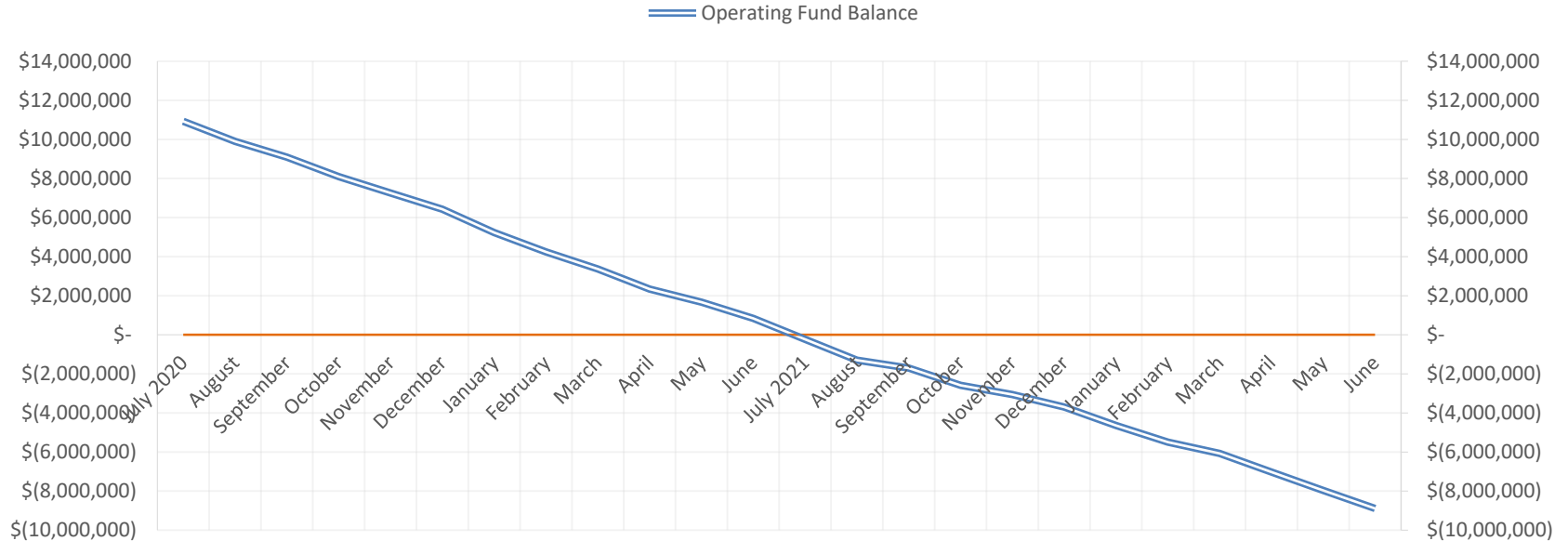
# Updated projections

- How do we sustain current operations without event revenue?
- How long will it take for a vaccine, once found, to be manufactured and distributed widely?
- What if this takes two years?

# Oregon Convention Center

The current monthly net spend averages \$940k/month.

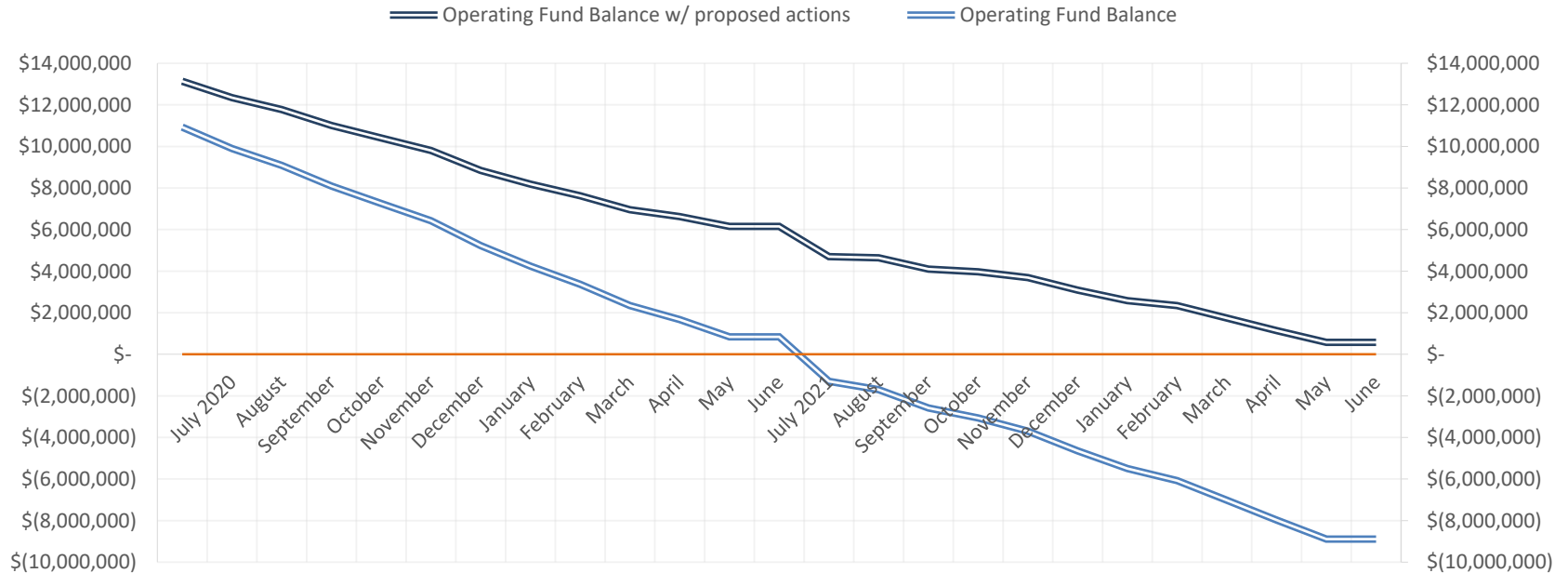
Without additional actions, the OCC will be out of fund balance by July.





# Oregon Convention Center

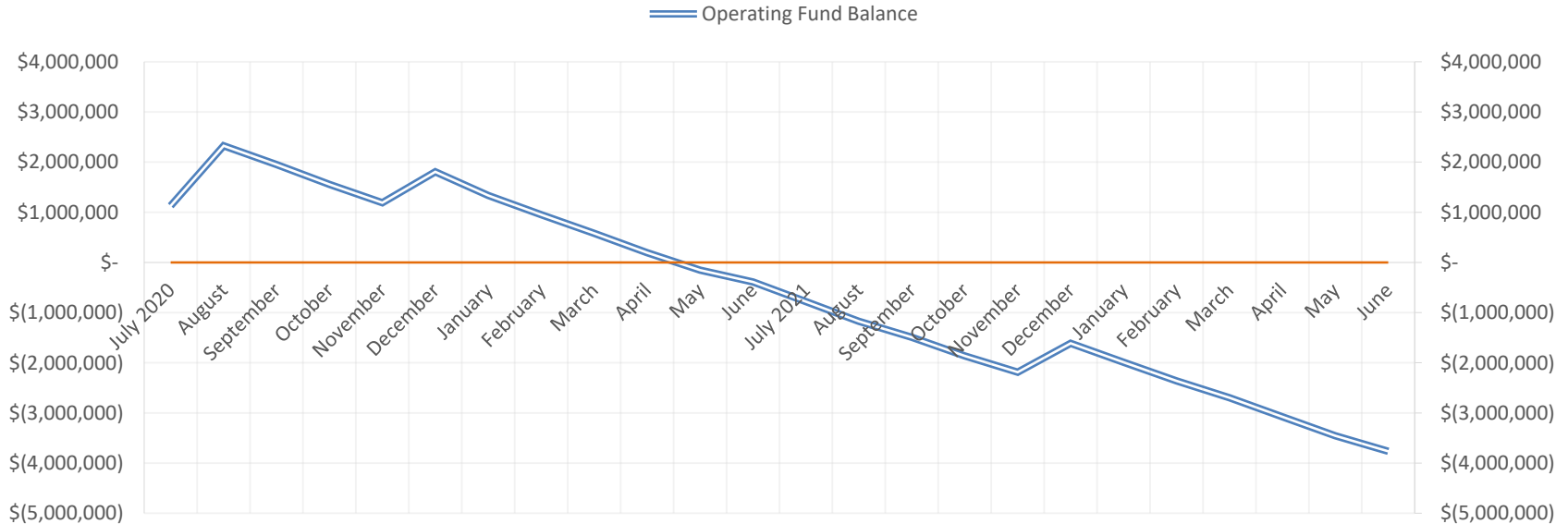
OCC is evaluating options to extend fund balance through June 2022.



# Portland'5

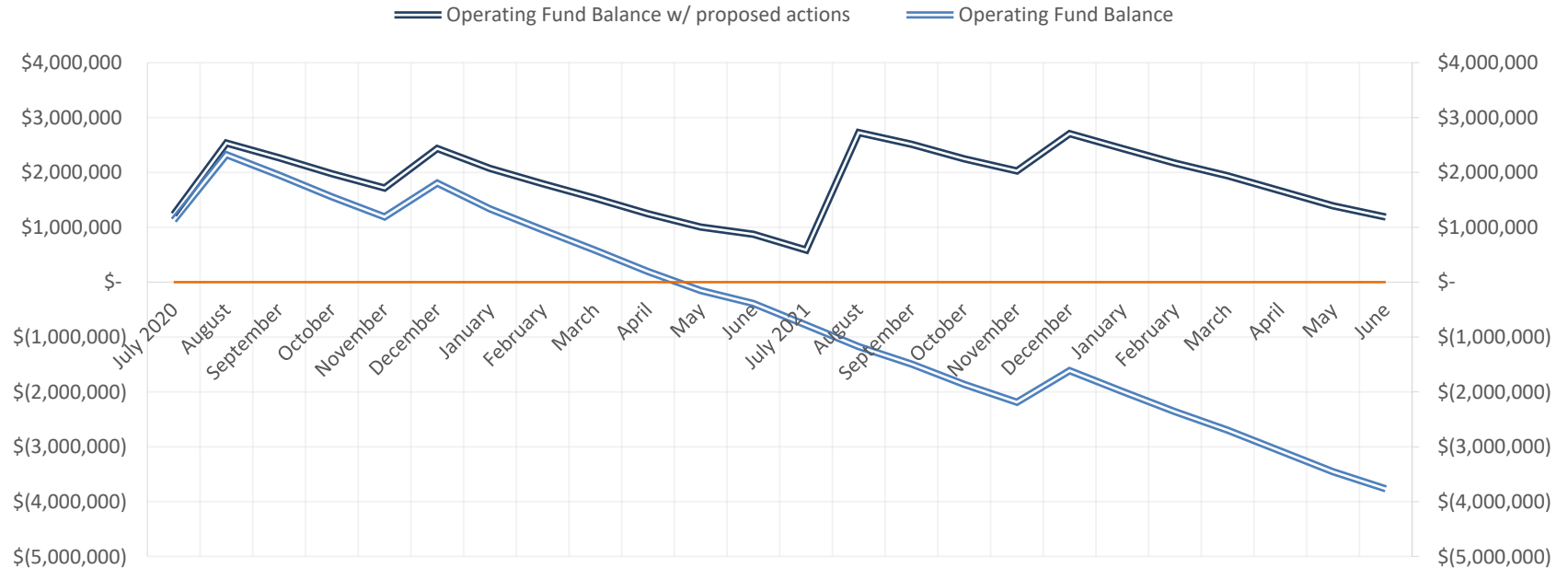
The current monthly net spend averages \$170k/month.

Without additional actions, P5 will be out of operating fund balance by May.



# Portland'5

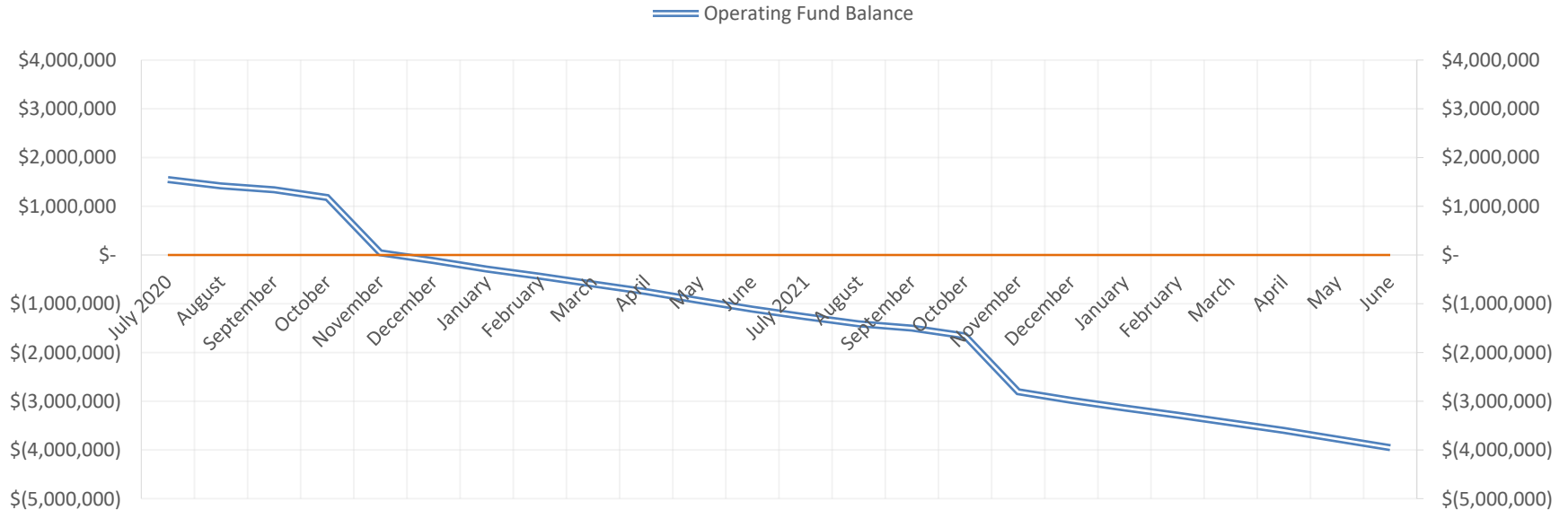
P5 is evaluating options to extend fund balance through June 2022.



# Portland Expo Center

The current monthly net spend averages \$250k/month.

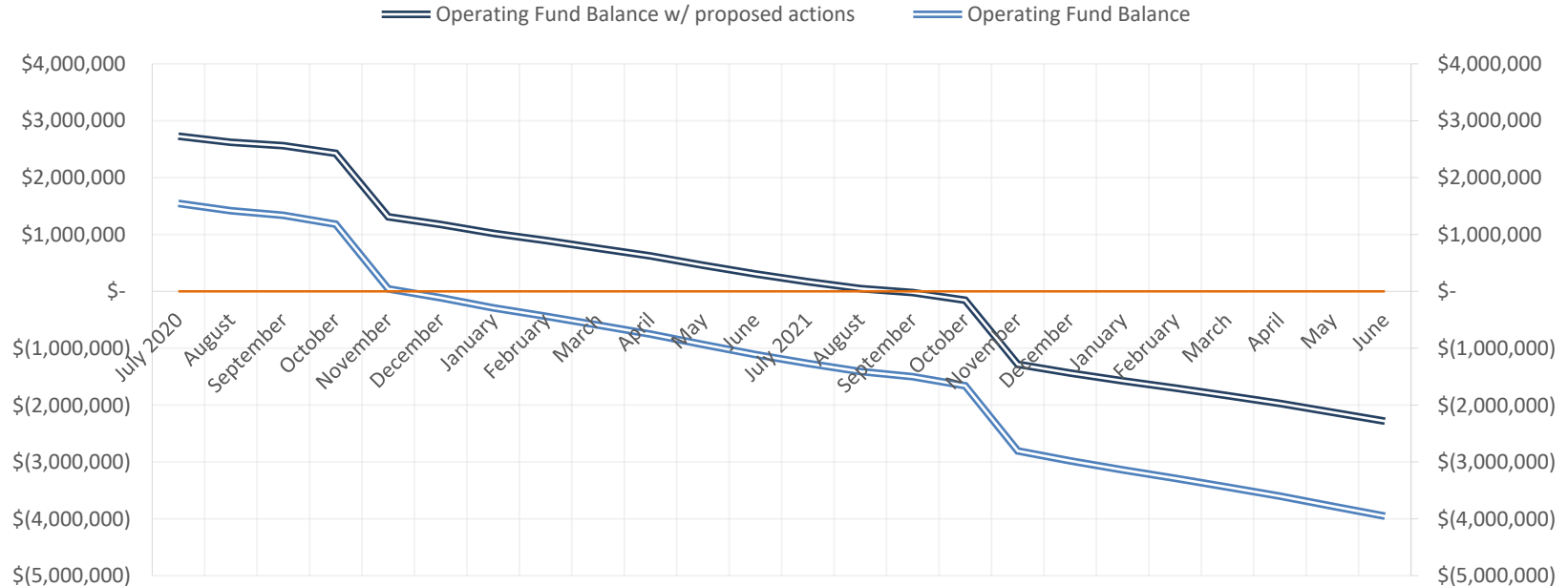
Without additional actions, Expo will be out of operating fund balance by Nov.



# Portland Expo Center

Expo is evaluating options to extend fund balance through July 2021.

Additional actions will be necessary to pay debt service in November 2021.



# Do everything possible

- Current operations – future clients, building maintenance, reopening planning
- Extended furloughs
- Alternate revenues where possible