



Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Feb. 8, 2012
Minutes

Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, Feb. 8, 2012
3 to 5 p.m.

MINUTES

MEMBERS PRESENT

Deidra Kryss-Rusoff (Chair)

Marcela Alcantar
David Evans
Ann Gravatt
Sharon Harmon
Benjamin Jackson
Tony Jones
Bill Kabeiseman
Carter MacNichol
Sheryl Manning
Ray Phelps
Penny Serrurier
Bob Tackett

MEMBERS ABSENT

Steve Bloom
Jacqueline Bishop
Greg Gahan
Jim Irvine
Michael Sestric

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Jim Mitchell
Joel Morton
Linnea Nelson
Margo Norton
Joanne Ossanna
Scott Robinson
Marcia Sinclair
Kim Smith
Craig Stroud
Cheryl Twete

AFFILIATION

Oregon Zoo Bond Citizens' Oversight Committee Chair;
Ferguson Wellman Capital Management
Alcantar & Associates
The ODS Companies
Climate Solutions
Oregon Humane Society
REAP, Inc.; Jefferson High School
Metropolitan Contractor Improvement Partnership
Garvey Schubert Barer
Shiels Oblatz Johnsen, Inc.
Professional Board Member
Allied Waste Services
Stoel Rives LLP
Northwest Oregon Labor Council

AFFILIATION

Portland Japanese Garden
Roberts Kaplan LLP
NW Construction Management, Inc.
The Conifer Group, Inc.
Michael Sestric Facilities Planning

Metro Councilor
Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Metro Finance and Regulatory Services Director
Oregon Zoo Finance Manager
Metro Deputy Chief Operating Officer
Oregon Zoo Public Involvement
Oregon Zoo Director
A Better Zoo (Oregon Zoo Bond Program) Director
Metro Senior Development Advisor

A. Welcome / Introduction

Deidra Kryz-Rusoff, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:07 p.m. and welcomed members. Members introduced themselves, including two new members, Bill Kabeiseman and Sharon Harmon.

Councilor Shirley Craddick recognized Sheryl Manning's contribution as the former and first chair of the Oversight Committee. She noted the success of the bond program and Ms. Manning's leadership to organize the Oversight Committee. Zoo director Kim Smith presented Ms. Manning with a certificate of appreciation.

Chair Kryz-Rusoff announced that Carol Welch resigned from the committee.

Due to a change in location as well as the change in Chair roles, Chair Kryz-Rusoff reviewed the purpose of the Committee and noted that the meeting is not a public hearing. The meeting is open to the public, but input and discussion is limited to committee members and Metro staff. The purpose of the committee is to review the bond program, and not to make project recommendations. The committee reports annually to the Metro Council.

B. Approval of Nov. 9, 2011, Oversight Committee meeting minutes

Members approved the minutes of the Nov. 9, 2011, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting. Ray Phelps abstained, since he was absent at the Nov. 9 meeting.

C. Land Use Projects – Information Update

Cheryl Twete, Metro senior development advisor, gave an update on the two land use applications in process. The hearing for the amendment to the zoo's Conditional Use Master Plan (CU MS) was held Jan. 18 and the hearings officer's should issue their report by Feb. 17. The amendment will enable Metro to proceed with the Elephant Habitat and Related Infrastructure project, as well as the Condor project. Metro received a supportive staff report from the city. March 2 is the deadline for appeals.

The second land use application is for a new 10-year land use approval for the zoo, and the plan is to submit the application to the city in early March. Access and transportation continue to be the key substantive issues to address in the application.

Ray Phelps asked for clarification about the current and new conditional use master plans. The new CU MS reflects the new package of projects the zoo will or might undertake in the coming 10 years, including the remaining bond-funded projects.

Ms. Twete also reviewed the budgets for the two land use projects, which total approximately \$900,000 combined. As of the meeting date, the amendment budget is forecast approximately \$15,000 over-budget. For the new application, Ms. Twete stated that the bulk of the consultant work is complete, and the bulk of the application was written. About two thirds of the budget has been spent. Ms. Twete said she expects the project to finish close to the established budget, unless the applications are appealed and require further support.

Ms. Twete also noted the work done by Marcia Sinclair to discuss the applications with the adjacent neighborhood associations. The conversations have been productive, and the zoo is asking the neighborhood associations to support the land use applications.

D. Remote Elephant Center – Information Update

Kim Smith referred to the bond measure language that called for assessing the feasibility of a Remote Elephant Center (REC). She said the REC would be used to support the zoo's vision to establish multi-generational matriarchal herds, with males interacting with females, and to conduct research on bulls integrated with cow herds. The facility would promote natural elephant behaviors and may support educational programs.

The zoo estimates that it will cost approximately \$1 million annually to operate the REC, and the 2008 bond measure funds cannot be used for that purpose. Metro is exploring funding sources with the Oregon Zoo Foundation and others. Per Metro Council direction, staff must have a defined and approved funding strategy before proceeding to a land purchase or capital construction.

Staff developed a phased build-out and animal collection plan for the REC. The full build-out capital cost estimate of \$10.2 million exceeds the available capital funding of \$7.2 million by about 44 percent. The source of funding to complete the build-out has yet to be identified.

The Metro Council approved Resolution 11-4230 providing the Metro Chief Operating Officer authority to enter into real property option agreements. Under this authority, Metro entered an option agreement for a portion of the former Roslyn Lake property. Metro is still evaluating other sites and reviewed six sites in 2011. The Roslyn Lake property remains the most viable site assessed.

Marcela Alcantar asked about REC fundraising. Ms. Smith explained fundraising would be performed by the Oregon Zoo Foundation, a 501(c)3 nonprofit corporation, whose mission is to develop community support for the zoo.

Penny Serrurier said this seemed like the least defined of the bond projects, and asked about the timeline for making a REC decision. Scott Robinson, deputy chief operating officer, said the option requires Council approval to purchase. The option expires in two years. Mr. Stroud said there is no bond fund expenditure deadline, but that pragmatically the program will need to spend the money in a timely manner. Most of the remaining planning work on the REC project is to develop the fundraising and operating budget plans. Mike Keele, manager of elephant habitats, is currently dedicated to this work.

Carter MacNichol asked about the priority of the REC and the timeline. Mr. Robinson said Metro cannot define the timeline until the operating and funding plans go before the Metro Council for approval. Mr. Robinson noted that the REC is site-dependent for the type of program. Staff is proceeding cautiously and performing due diligence.

Ms. Smith cited two other zoos that are operating remote breeding programs. She said that zoos have an increasing role in sustainability, with a commitment to elephants as a species, especially since elephant habitat is decreasing for both Asian and African elephants. Zoos are increasingly

conducting research about bulls and their social dynamics, and finding that bulls are not as solitary as previously believed.

E. Required Oversight Committee Annual Report to the Metro Council

Chair Krysov-Rusoff gave the Committee a few minutes to review the drafts for the Committee's report to the Metro Council. The Committee discussed **reporting item 1**, an assessment of the zoo's program progress in implementing the Oregon Zoo Bond Measure 26-96 project improvements. The group discussed various edits and the focus for the report.

The Committee discussed **reporting item 2** on project spending trends and current cost projections, and a review and report on the Annual Independent Financial Audit. The Committee still supports using the CM/GC process. Administrative costs are expected to drop over time as the program progresses. The Committee stated it is important to keep an eye on administrative and operating costs, and discussed the cost of bond issuance.

For **reporting item 3** (May recommend project modifications intended to account for increases in construction costs in excess of budget estimates, to ensure that the purpose and promise of the Oregon Zoo Bond Measure 26-96 is fully realized.), the Committee will use the same language as in last year's report.

F. Monthly Project Updates

1. Elephant Habitat and Related Infrastructure

Construction manager Jim Mitchell identified the design firm, SRG Partnership, and the contractor, Lease Crutcher Lewis, for the Elephant Habitat and Related Infrastructure project. They are holding regular design workshops with zoo staff. The schematic designs for Wildlife Live, the train and perimeter road are to be complete by March 12, and for the Elephant Habitat, by the end of March. The contractor is refining the schedule, but the original schedule showed a project completion date of June 2014. The first construction cost estimates are due mid-March.

2. Condor Habitat

A Request for Proposals for Condor Habitat design is currently advertised, with construction scheduled to begin this fall. Metro will use a two-step bid contractor procurement process to select a general contractor. The first phase will be built using bond funds, with a later possible enlargement under the Comprehensive Capital Master Plan and funding yet to be identified.

G. Program Status and Financial Information at a Glance

The recent program audit made a recommendation to report scope, schedule and budget at a program level. Mr. Stroud is working on the new reports. The Committee indicated its interest to see monthly cash flow reports and discussed having a future presentation at a meeting. Mr. Stroud stated that as part of the prior year's annual committee report to Council, committee member Dave Evans reviewed all the program's financial reports.

H. Consolidated Oregon Zoo Bond Program Schedule

The Veterinary Medical Center is complete, and will not be shown on future reports. Future reports will include Condor Habitat, Interpretive Experience, and One Percent for Art projects.

I. Open Discussion/Questions

Since the last meeting, staff has been sending via email media reports about the bond program. The Committee confirmed that the reporting is helpful and asked that it continue.

J. Adjournment

Chair Krysov-Rusoff adjourned the meeting at 5:00 p.m.

Next meeting dates for 2012 –Wednesdays, 3 to 5 p.m.:

May 9	Room 370A/B, Metro Regional Center, 600 NE Grand Ave., Portland, OR
Sept. 12	Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR
Nov. 14	Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR