



Oregon Zoo Bond Citizens' Oversight Committee Budget Options

September 12, 2018

Committee Purpose

The purpose and authority of the Oversight Committee is to convene periodically to review progress on the Oregon Zoo Bond Measure 26-96 project improvements, monitor spending (“Program Progress”), and consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates.

Bond Program Status

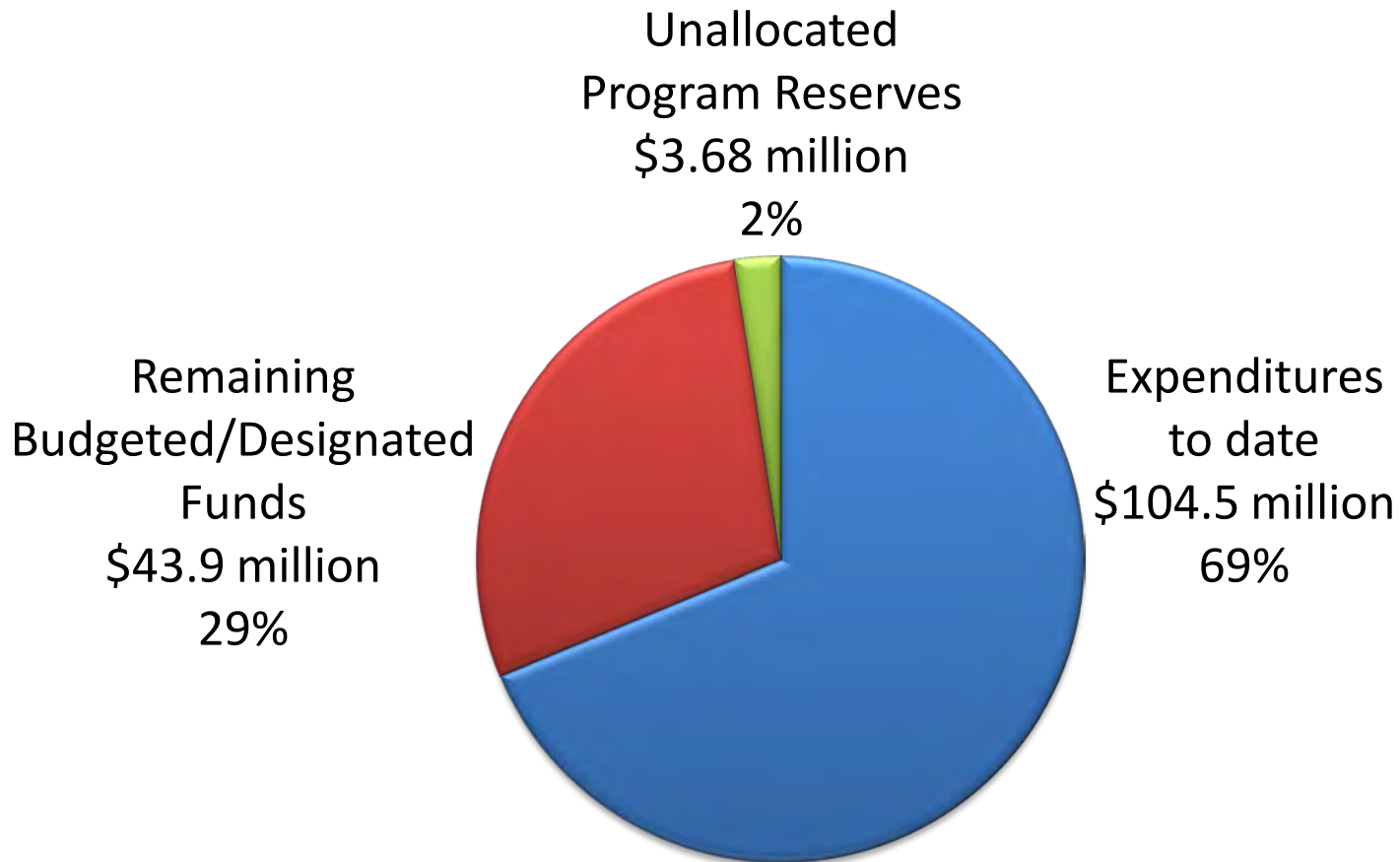


Zoo Bond Ballot Measure 26-96

The Zoo bond measure will update and replace old exhibits and facilities, increase access to conservation education, and replace utility systems to reduce water and energy use and lower operating costs.

Zoo Bond Program Resources

\$152 million as of July 31, 2018



Situation Assessment

- Each project was allocated a budget in 2011 from the total \$125M bond
- Additional resources have been leveraged; total program funding is \$152M
- Current cost estimate for remaining projects exceeds budget
 - Construction escalation exceeded master plan estimates (6% vs. 27-31%)
 - Scope modification
 - Schedule extension increased administrative overhead
- Unallocated program contingency (\$3.68M) increased due to premium received on the bond sale, project savings/reallocation, and partner contributions
- Allocated close out contingency available (\$1M)

2017 Subcommittee Work

- Subcommittee: Evaluate remaining project scope, schedule and budget and recommend adjustments
 - Operational cost analysis of remaining projects
 - Cost escalation analysis
 - CM/GC contract savings and combined project analysis
 - Project modifications (salt water, primate building replacement)
- Oversight Committee: Set guiding principles and approved subcommittee recommendation
- Metro Council: Approved guiding principles and committee recommendation

Guiding Principles

- Align fund allocation to comply with the requirements and commitments of the original zoo bond ballot measure 26-96 and any other applicable legal restrictions or requirements.
- Recommend fund allocation that aligns with zoo conservation programming, anticipated species focus, and animal welfare priorities to the greatest degree possible and based on the best information available – including the zoo’s conservation priorities, zoo staff input, anticipated changes to Association of Zoos and Aquariums standards, financial forecasts, and cost estimates.
- Consider and be sensitive to public perceptions, seek to provide transparency about allocation changes, and highlight “value-added” contributions from non-bond sources.

2017 Allocation

Currently unallocated	\$12.5 million
Primate /rhino – cost escalation	(\$2.6 million)
Polar Passage – cost escalation	(\$1.0 million)
Polar Passage – OZF enhancements	(\$1.3 million)
Electrical infrastructure	(\$1.5 million)
Program close out/contingency	(\$1.0 million)
Program administration	<u>(\$3.3 million)</u>
Remaining unallocated*	\$1.8 million

*Hold for Master Plan capital investments and/or update

2018 Cost Estimates

Polar Passage/Primate Forest/Rhino

Current construction budget	\$33M
Construction cost estimate	<u>\$35.2M</u>
Variance	(\$2.2M)

Administrative Overhead

Current budget	\$7.20M
Forecasted costs	<u>\$8.85M</u>
Variance	(\$1.65M)

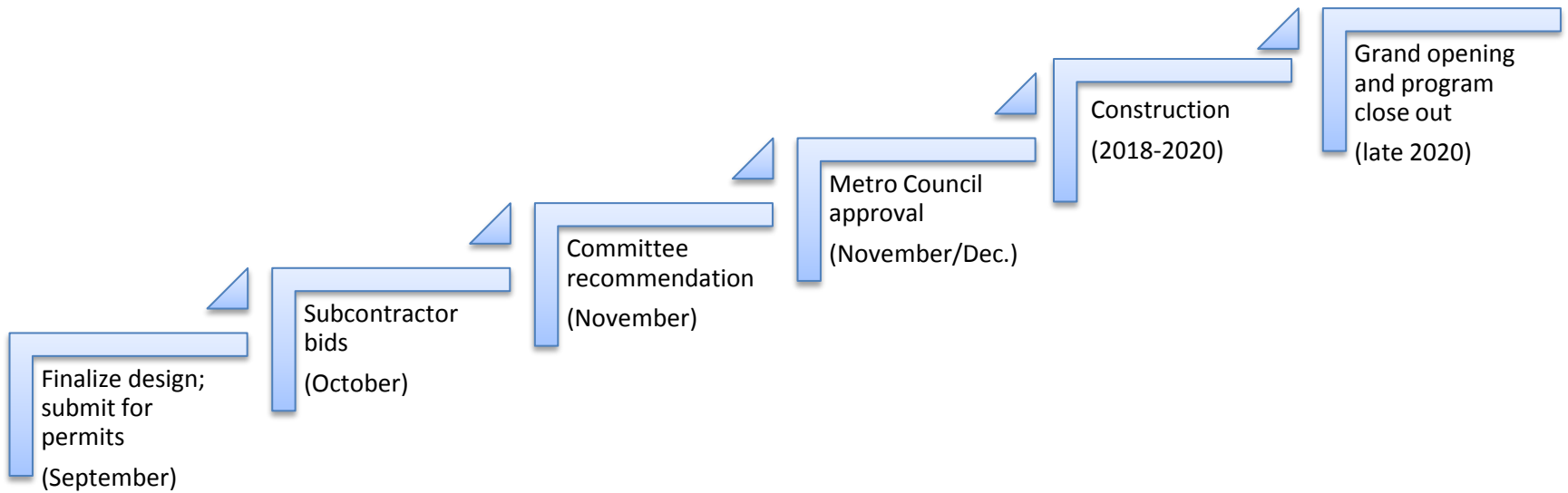
Resources Available

Close out contingency (allocated)	\$1M
Program Contingency (unallocated)	<u>\$3.68M</u>
	\$4.68M

Options

- Shift existing unallocated and/or close out contingency resources to the projects
- Modify project scopes and related costs

Next Steps



Discussion

- What additional information do you need to make a recommendation in November?
- What priorities do you support with the unallocated program contingency?