



Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, Sept. 10, 2014
3 to 5 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Sept. 10, 2014

Minutes

MINUTES

MEMBERS PRESENT

Deidra Kryss-Rusoff (Chair)
Tony Butchart
Sharon Harmon
Deborah Herron (via speaker phone)
Mickey Lee
Mike Schofield
Ruth Shelly
Penny Serrurier
Bob Tackett

AFFILIATION

Ferguson Wellman Capital Management
Hummingbird Homes
Oregon Humane Society
Walmart
MPower Oregon
Gresham-Barlow School District
Portland Children's Museum
Stoel Rives LLP
Northwest Oregon Labor Council

MEMBERS ABSENT

Noah Bishop
Bill Kabeiseman (Vice Chair)
Carter MacNichol
Daniel Morris
Tom Turnbull

AFFILIATION

Bishop Bankruptcy Law, LLC
Garvey Schubert Barer
Shiels Oblatz Johnsen, Inc.
Our Oregon
OpenSesame Inc.

GUESTS

Jon Gramstad
Courtney Scott
Barbara Spears
Gary Thompson
Peggy Thompson

AFFILIATION

Gimme Shelter Portland
Free the Oregon Zoo Elephants
Gimme Shelter Portland
ZooGuide
ZooGuide

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Teri Dresler

Caleb Ford
Jani Iverson
Jim Mitchell
Joel Morton
Linnea Nelson
Heidi Rahn
Scott Robinson

Metro Councilor
Oregon Zoo Interim Director; Metro Visitor Venues General
Manager
Oregon Zoo Budget and Finance Director
Oregon Zoo Foundation Director
Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Oregon Zoo Bond Program Director
Metro Deputy Chief Operating Officer

A. Welcome / Introduction

Deidra Krys-Rusoff, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:07 p.m. and welcomed members. Deborah Herron participated via speaker phone.

B. Approval of May 14, 2014, Oversight Committee meeting minutes

Members approved the minutes of the May 14, 2014, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

Heidi Rahn, bond program director, noted that at the last meeting the Committee had requested information about the bond program administrative costs. Metro is refining its methodology for accounting for administrative costs, and staff aims to have a report on the administrative costs at the next Committee meeting in November.

C. Oregon Zoo Highlights

Teri Dresler, interim zoo director, gave an update on various zoo activities. One of the lions, Kya, gave birth to four cubs* and they are doing well [*post meeting one of the cubs died]. (Video shown of Kya and cubs; link provided in presentation included with the record.) One year ago Neka, another lion, gave birth to three cubs. The international Species Survival Plan made a recommendation for the lions to breed. The zoo expects a recommendation from the SSP for a transfer of the cubs to other zoos in the future. Sometimes transferred animals are loaned to other zoos and sometimes they are given.

The Committee viewed the *Club Mud* video depicting the zoo elephants cooling themselves in the water and mud at the new Encounter Habitat

The zoo is in the process of looking for an appropriate firm to recruit for a new zoo director. Metro interviewed some firms, but was not completely satisfied with any of them. Recruiting for a zoo is very specialized, requiring the right contacts and the right mix of experience. Metro is taking its time to find the right firm, and is dedicated to finding a top candidate.

Metro seeks a visionary leader with a good business sense to run a complex and unique government enterprise. The ideal candidate would have a natural ability to develop relationships among the many zoo partners. It is important this person has political acumen, and values and can navigate bureaucracy. Metro is also looking for a candidate with a background in conservation, which is at the core of the zoo's mission.

Ms. Dresler reviewed changes related to the summer concerts. Although construction reduced the concert audience footprint some, this concert season was one of the most successful, with the highest food and beverage sales in the past 10 years. Some guests like to see the construction and enjoy the "construction species" identification signs that explain the various construction vehicles.

The zoo has seen pressure on attendance, partially from construction and partially from parking fees. The overall zoo guest experience is faring well with the bond projects.

With regard to the impact of parking on attendance, the estimates made by staff beforehand for changes in attendance were close, and the zoo has not had big surprises. The zoo is focusing on enhancing the value of the visit in the zoo, such that it overcomes the cost of parking. Parking

revenues will help Washington Park, including the park entries and exits, incremental improvements in signage, etc.

D. Committee Membership

Heidi Rahn described a plan to reset Oversight Committee membership terms so that they do not end in December, right when the Committee is preparing its annual report and experienced members are most needed. Three of the four members who were set to retire from the Committee on December 31, 2014, have agreed to serve through March 31, 2015, and Ms. Rahn is contacting the fourth* [*post meeting the fourth agreed to extend as well]. After that, new members would serve two-year terms starting April 1. Chair Krys-Rusoff's term is also set to end, and in order to provide a smooth leadership transition, the Metro Council will vote on a resolution to appoint Bill Kabeiseman as Chair before the November 2014 meeting. He will lead the Committee through the annual reporting process. Ms. Krys-Rusoff will still participate on the Committee and provide carry over through March. She thanked those who had agreed to extend their service.

E. Committee Annual Report

Chair Krys-Rusoff explained the Committee's annual report preparation. The annual report to the Metro Council is extremely important as it is the written documentation of all that the Committee has reviewed during the year. In November she will ask members to serve on report subcommittees. Most of the work begins in January, with a draft prepared for members to discuss at the Feb. 11, 2015, meeting. The final draft is approved via email review and presented to the Metro Council in March/April. This report is the main product of the group; preparing it is a fun experience and participants learn a lot. The report is posted online and sent to the media.

Councilor Shirley Craddick explained that the report is important to the Metro Council, and the Council takes the report very seriously. Councilors depend on the oversight of the Committee, and appreciate all the members do, since it provides great value to the Council.

F. MWESB Utilization

Heidi Rahn used a presentation (a copy of which is included with the record) to discuss the bond program's usage of minority-owned, women-owned and emerging small businesses (MWESB). Metro and the zoo bond program have increased efforts for MWESBs, including increased outreach, breaking down the subcontractor bid packages, streamlining the contract, providing training and building relationships. The bond program has a goal of 15 percent of the general contract value of a project going to MWESBs. The Veterinary Medical Center project had 17 percent utilization, although the calculation methodology at the time of the project was based on subcontractor costs (and not the total contract amount).

The Condors of the Columbia project was a big win with 26 percent MWESB utilization rate by 2KG Contractors. The rate was higher because it was a smaller, more accessible project, and it had a simple plan with few components that made it easy to bid (it had 10 scopes of work compared to other projects that may have 30).

On the Elephant Lands project, complexity and scale are barriers to MWESBs, as well as the uniqueness of the work. Still, the Elephant Lands bid package includes \$4 million going to MWESBs, including the galvanized steel work. Twenty-four percent of the incoming bids were MWESBs, but not all of them were the low bidders.

The Committee discussed that the current State of Oregon MWESB certification system is based on the company ownership, and not the workforce breakdown. Some noted that certification is frequently abused by having someone else listed as the owner who is not running the company. Some members expressed interest in the workforce diversity, but it is not a required reporting item. It is, however, evaluated in the bid package and part of what determines Metro's selection of the general contractor. Mickey Lee noted that her organization had collected workforce diversity reports by requiring them before granting payments.

G. Monthly Project Updates

1. Elephant Lands

Jim Mitchell gave an update on the Elephant Lands project, which is on schedule and on budget. The Elephant Lands project is six acres, with 4.58 acres accessible to elephants. The new buildings and elephant pool will be much larger than existing facilities, with the pool measuring 80 x 80 x 10.5 feet. The geothermal "slinky" loop was installed below the north habitat area and will collect heat generated by cooling polar bears and transfer it to help heat Elephant Lands. A new Elephant Plaza area will open in the spring of 2015 and provide picnic areas for 250 to 300 people, which is key for zoo retail operations. A time lapse video of the train trestle construction was shown (link provided in presentation as part of the record). The train work is to be done by the first part of November, followed by testing of the locomotives before opening for ZooLights later in November. (The locomotives are being rebuilt and restored, but that is not funded by the bond.)

Staff is currently evaluating the feasibility of extending the geothermal system to the education center, which would require wells 300 feet deep. One of the main features of the bond program is the sustainability features. As executed, the bond program does include a substantial investment in sustainability infrastructure. The infrastructure along the zoo main street "spine" will mostly be done as part of Elephant Lands, some with the education center, and completed with the central hub in the polar bear project. By law, 1.5 percent of construction cost is to be spent on solar. The payout period on sustainability components is evaluated throughout the design process of each project. The anaerobic digester was one example of a sustainability feature that was evaluated, but did not pencil out in cost.

Members noted the good job staff has done in limiting Elephant Lands change orders to 2.2 percent of the guaranteed maximum price (as of meeting date). Typical change orders for this type of project at this stage would be 10 percent. The low number shows the value of using a Construction Management General Contractor.

Members discussed a recent *NW Examiner* article about the bond program that erroneously said spending is out of control. The information did not come from any authoritative report. The article also referenced elephant foot care and the plan to use sand substrate in Elephant Lands. The zoo did extensive research to identify the best substrate for the health and welfare of the elephants. Staff traveled to the Dublin Zoo, which has had success using sand. Metro had the Dublin sand sample analyzed and found one of the key qualities of the sand was the uniformity of the sand granules that makes it drain well and not pack down. The project team sourced the same quality of sand from a provider in the Columbia Gorge in Washington. The new Elephant Lands Encounter Habitat, which has been open to the zoo elephants since February, has this sand, and it looks like it was just put down; it is not packed down and is draining well.

Elephants will be able to choose whether to go in or out of doors throughout the day and night. The habitat is big enough for natural elephant groupings, with five different spaces available. Forest Hall and the Animal Welfare Center will be 32,000 square feet – much bigger than the existing structure. Many options for the elephants were included in the design.

2. Education Center

Design of the education center is progressing well, with regular design workshops involving the project team and 15-25 zoo and Metro staff and partners. The education center goal is to inspire conservation action by connecting people, the zoo and the natural world. The overall interpretive message is that little things matter, including:

Theme 1: Nature is closer than you think.

Theme 2: My choices and my actions are my legacy.

Theme 3: We accomplish more when we work together.

The pre-schematic design from the Oregon Zoo Comprehensive Capital Master Plan included a 30,000 square-foot education center, but that design was too expensive to build and didn't provide enough opportunity to connect kids to the outdoors. The schematic design is changing and is not yet final, but is currently at 25,000 square feet. The new design is better for guest amenities, circulation, and gets closer to the project budget. It includes an event entry, camp entry, nine classrooms (with three combining into one large space), insect zoo, turtle conservation lab, learning garden, small cafe, plaza area, teen area, restroom, offices and staff preparation area. In the current design, passage between classrooms is via the outside.

The zoo is working with Portland Parks and Recreation on plans for the education center entry, to best accommodate zoo campers and visitors. The sidewalk will be widened, with new plantings, and new signs will better direct traffic and camp drop-offs. The Oregon Zoo Foundation received a \$20,000 grant from the Oregon Cultural Trust to restore the Willard Martin Mosaic from the former zoo entrance. The mosaic is planned to be incorporated into the new design.

The new schematic design will be presented to the Metro Council on Tuesday, Oct. 28, 2014, when the Council meets at the zoo. The meeting begins at 2 p.m., and the Oversight Committee is invited to attend. Displays will show the proposed design.

3. Interpretive Experience Design Services

Metro conducted an on line Opt-In survey regarding how people interact with nature, and received nearly 3,600 responses that will inform the interpretives for the Education Center. Elephant Lands interpretives will include elephant identification stations, closed-circuit TVs to show where elephants are, a sound communication station to listen to different elephant sounds, a smelling station to smell elephant smells, a scale for comparing individual weights to that of an elephant, a problem solving activity to demonstrate how elephants communicate and think, and artifacts from the former elephant museum. These will greatly enhance the visitor experience.

4. Percent-for-Art

Two zoo totem poles are being relocated as a result of the Elephant Lands construction: The 50-foot "Centennial" Lelooska pole and the 15-foot "Survival" Losey pole. They are planned to be installed by early October. A rededication ceremony is planned for Friday, Oct. 17 at 10:30 a.m.

at the zoo, and Oversight Committee members will be invited. Bond funds are paying for relocation of the poles, but restoration is paid from zoo funds.

5. Remote Elephant Center

The zoo continues to follow through on its commitment to voters to consider feasibility of an offsite elephant facility. Staff is doing due diligence to assess if the Roslyn Lake property would be suitable for elephants. The project team visited the site, along with a representative from the Oregon Department of Agriculture, (which regulates animal discharge into water and would need to provide a permit), and a civil engineering manager from Portland General Electric, which still owns the site. PGE explained what they had done to manage water on the site. A beaver dam caused standing water, but the dam will be removed and the natural flow of the stream assessed. The team will assess options to minimize the width of the stream flow and maximize potential space for elephants. Staff agreed to send an image of the Roslyn Lake site to the Oversight Committee members.

Heidi Rahn said the water on the Roslyn Lake site could be a deal-breaker. The issue is to keep elephant waste out of the stream, and the team will study that this fall. A buffer is needed to protect the stream, which feeds into the Sandy River. These infrastructure needs could limit the amount of space available to the elephants. Operating costs are anticipated to be more than \$1 million per year, and a funding source has yet to be identified.

Owners of the site adjacent to the Roslyn Lake site, Powerhouse ReGen, received a recommendation from the Clackamas County Planning Commission for county approval of their plan to host up to 800 people per day, and on occasion 1,300 at a time. Their plan will occupy the entire footprint of the former Roslyn Lake Park, and could be a barrier to Metro operating the Remote Elephant Center on the Roslyn Lake site, given the increased need for security.

Metro's real estate staff is still looking for other possible Remote Elephant Center sites, but nothing has been identified. The site ideally would be within one and a half hours of the zoo, so a veterinarian could get there in time for possible treatment.

H. Program Status and Financial Information at a Glance

The bond program is on budget. The Condors of the Columbia project was \$418,462 under budget, and Elephant Lands is proceeding within budget. The \$5.8 million bond premium is still in contingency, and before spending it, staff would bring the options to the Oversight Committee. The financial reports included in the meeting packet do not include the \$20,000 grant for restoring the Willard Martin mosaic, since Metro has not yet received the grant.

I. Program Schedules

Members indicated that they want to continue to receive both the Active Projects Schedule and the All Projects Schedule.

J. Open Discussion/Questions

The Oversight Committee had one of the highest participation rates in Metro's committee membership diversity survey conducted earlier in the year by Metro. The Oversight Committee was selected to be a pilot project for improving membership diversity, and extending the memberships terms into 2015 will allow more time to recruit diverse candidates and participate in the pilot.

K. Other

The next meeting will be Nov. 12, 2014, in the Kalahari Room.

Staff plans to provide an opportunity this fall for Oversight members and their families to tour the construction site.

Chair Krys-Rusoff noted that this was her last meeting to chair. She thanked members for their assistance, and said she enjoyed serving as chair. She said she felt like the Committee had made a huge difference. Staff and Committee members thanked her for being so diligent and committed; new members particularly appreciated how well she oriented them to their new roles.

L. Adjournment

Chair Krys-Rusoff adjourned the meeting at 4:40 p.m.

Upcoming meeting dates –Wednesdays, 3 to 5 p.m.:

Nov. 12, 2014	Kalahari Room, Oregon Zoo
Feb. 11, 2015	Skyline Room, Oregon Zoo
May 13, 2015	Kalahari Room, Oregon Zoo
Sept. 9, 2015	Skyline Room, Oregon Zoo
Nov. 4, 2015	Skyline Room, Oregon Zoo