



Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, Sept. 12, 2012
3 to 5 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Sept. 12, 2012

Minutes

MINUTES

MEMBERS PRESENT

Deidra Kryz-Rusoff (Chair)
Marcela Alcantar
Jacqueline Bishop
David Evans
Benjamin Jackson
Bill Kabeiseman
Bob Tackett

AFFILIATION

Ferguson Wellman Capital Management
Alcantar & Associates
Jacqueline Bishop Law, LLC
The ODS Companies
REAP, Inc.; Jefferson High School; Portland Community College
Garvey Schubert Barer
Northwest Oregon Labor Council

MEMBERS ABSENT

Greg Gahan
Ann Gravatt
Sharon Harmon
Jim Irvine
Tony Jones
Carter MacNichol
Sheryl Manning
Penny Serrurier
Ray Phelps
Michael Sestric

AFFILIATION

NW Construction Management, Inc.
Climate Solutions
Oregon Humane Society
The Conifer Group, Inc.
Metropolitan Contractor Improvement Partnership
Shiels Oblatz Johnsen, Inc.
Oregon Zoo Bond Citizens' Oversight Committee
Stoel Rives LLP
Allied Waste Services
Michael Sestric Facilities Planning

GUESTS

Courtney Scott
Nancy Shaw

Beyond Productions
(no affiliation provided)

ELECTED OFFICIALS AND STAFF

Jim Mitchell
Joel Morton
Linnea Nelson
Scott Robinson
Brent Shelby
Marcia Sinclair
Craig Stroud

Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Metro Deputy Chief Operating Officer
Oregon Zoo Project Manager
Oregon Zoo Public Involvement
Oregon Zoo Interim Director of Operations;
A Better Zoo (Oregon Zoo Bond Program) Director

A. **Welcome / Introduction**

Deidra Kryz-Rusoff, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:08 p.m. and welcomed members.

B. Approval of May 9, 2012, Oversight Committee meeting minutes

Members approved the minutes of the May 9, 2012, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting with the correction that Jacqueline Bishop has changed jobs and is now with her own law firm, Jacqueline Bishop Law.

C. Land Use Projects – Information Update

Craig Stroud and Scott Robinson gave an update on the three land use applications Metro has submitted to the City of Portland. The application for amending the zoo's existing land use permit (to cover construction of the Elephant and Condor Habitats) required updating due to additional trees that will be impacted by construction. The amendment was approved Sept. 4, and Metro now has all land-use approvals needed to proceed with those projects.

The West Lot (formerly known as the auxiliary parking lot) does not currently have legal land use standing with the city, and the West Lot land use application is for permanent use of the area for parking. The application was deemed complete on July 30. The staff report and recommendation are due Sept. 17 from the city, and the hearing is set for Sept 26. The Bureau of Development Services has recommendations for West Lot landscaping – a little more screening between homes – and to chain off the lot at night to prevent activity. The Bureau of Environmental Services has recommendations for stormwater. In the long term, they want the lot connected to the stormwater system and taken off the combined sewer. Metro is a secondary player, since Metro does not own the lot and is a party to the application, along with other members of the Washington Park Alliance. It is likely that BES will look for stormwater upgrades as part of larger parking lot improvement requirements.

Metro's third application is for a new Conditional Use Master Plan, which will provide a land use permit to cover the remaining bond projects. The application was submitted in mid-August, and Metro received an incomplete letter from the city, which was expected. Metro is developing responses to the questions. A hearing is likely to be scheduled in mid-November. The work is on the anticipated schedule and plan.

Marcela Alcantar asked about the contractor for the Elephant Habitat project. She was pleased to see the prime contractor reaching out to minority-owned businesses. She would like to see the same commitment going forward to reach out to minority-owned businesses in other projects. She asked to see the minority, women-owned and emerging small business (MWESB) participation numbers to date for other projects. Jim Mitchell said he can provide that information for completed projects, but since Elephants has not been bid yet, it is not available for that project now. Mr. Mitchell reported that MWESB participation was approximately 11 percent on the Veterinary Medical Center project. Ms. Alcantar asked for a report of who had been successful on projects, so that she can see how it is trending and how opportunities are being spread out. Staff agreed to provide the requested information.

D. Elephant Habitat and Related Infrastructure – Project Design Progress

Jim Mitchell gave an update on the Elephant Habitat and Related Infrastructure project. The bids for Elephants/Train/Road will be due Oct. 12. Mr. Mitchell presented a slideshow (a copy of which is included with the record) about the project. Work on the road will be complete by November 2013. The Elephant museum will be closed permanently and the building demolished. The project team is trying to reduce revenue impacts on the zoo's operation, especially the picnic area for large corporate picnics. Metro plans to amend the design contract

with SRG Partnership, and the construction management/general contractor contract with Lease Crutcher Lewis, to include demolishing the old buildings in Tiger Plaza, to off-set the impact of losing space near the elephant habitat for picnics. Demolition costs will be part of the Conservation Discovery Zone project, since that work would be required when the CDZ is constructed, and using existing contractors will be cost effective.

The Bond program hired Wayne Starkey this week as a project engineer to assist with the program implementation.

Mr. Mitchell showed the latest rendering from the Elephant Habitat workshop #9 held last month. Since the last Oversight Committee meeting, the indoor visitor area went from two stories to one, and will be approximately 2,500 square feet. The project is targeting Leadership in Energy and Environmental Design (LEED) silver certification.

Mr. Mitchell showed various areas for elephant activities. The team is also studying other zoos and looking at designing for other elephant activities, such as self showers. Mr. Mitchell showed a video of elephants playing in spraying water, as an example of activities they will have in the new habitat (a copy of the video is included with the record). Design development drawings are mostly done. The main elephant habitat and buildings will bid next January.

Elephants will remain onsite during construction. They will have a transitional habitat during construction, occupying the current front yard and most of the back yard. The project team has studied and planned the project sequencing to minimize impacts to animals and zoo operations.

A member asked about the Remote Elephant Center. Craig Stroud responded that program staff is still performing due diligence on the Roslyn Lake property. Staff continues to work on an operating plan and long-term sustainable funding source. Metro has a multi-year option on the Roslyn property. The bond funding cannot be used for operating expenses.

David Evans asked why the Elephant Habitat completion timeline changed from May 2015 to December 2014. Mr. Mitchell indicated that Metro had made a best estimate earlier for construction duration, but that Lease Crutcher Lewis' construction timeline was more efficient. Mr. Robinson pointed out that this is evidence that the CMGC model has been beneficial.

Ms. Alcantar asked if Metro will use CMGC for other projects. Mr. Mitchell replied that Metro will use CMGC or two-step bid process, depending on the size and difficulty of the project. The Condor Habitat project is slated for a two-step bid process.

E. Condor Habitat – Project Design Progress

Brent Shelby gave an update on the Condor Habitat project. The project design started in May, and the design team includes Atelier Dreiseitl + Place, KPFF and PAE Consulting Engineers. He showed a schematic of the project (a copy of the presentation is included with the record). The new habitat will be located where the current farm tractor is located, between the Cougar Exhibit and the Family Farm. The current design has perches, a small water feature and a small keeper service area. The schematic design scope met zoo needs and the construction cost estimate was within budget, so the program approved for the design team to move into design development.

The condor construction will have some impacts on the Family Farm exhibit, such as displacing the kids play area tractor and impacts to the barn yard. The program amended the design team contract to address these impacts.

In the coming weeks, the condor design team will produce a design development package with an updated cost estimate. If that is approved, the project will move forward with construction documents. The two-step bid process will first qualify contractors, and then take the lowest bid from the pre-qualified pool. Construction is expected to take six to eight months, starting in January 2013.

F. May Bond Sale Results

Mr. Stroud reviewed the agenda worksheet for the May bond sale results. Jacqueline Bishop asked about limitations on the timeframe for spending the money. Mr. Stroud explained that the Internal Revenue Service subjects unspent bond proceeds to arbitrage rules. In addition, Metro must reasonably expect to spend 85 percent of the money within a three-year timeframe. Chair Krys-Rusoff discussed ways to manage finances to stay within arbitrage rules. Demolishing the Tiger Terrace now as part of the Elephant project and doing the Conservation Discovery Zone design and construction earlier than anticipated, will help the program to meet the 85 percent requirement.

Ms. Bishop said it will be nice to highlight the bonus by using it for better habitat for animals – a distinct, tangible and clear use that can be pointed to – as opposed to divided among various programmatic uses. Bill Kabeiseman noted that it may be good to use the premium to off-set the amount of future bond sales. Ms. Alcantar suggested it is best to hold it for now and Chair Krys-Rusoff agreed.

Chair Krys-Rusoff commented that the current economic market provides a good position for bond issuers, but not so much so for bond investors. For the bond program, it has been beneficial to be in recession conditions for project costs, but that condition may change. The economy could heat up in the next couple years and construction costs could become much higher.

G. Committee Member Reappointments

The Committee has members with expiring terms, and Mr. Stroud asked them to let staff know over the next few weeks and if they are interested in another term. Staff will process the reappointments through the Metro Council. Members are also asked to let Chair Krys-Rusoff know if they see any particular new expertise or experience that would be beneficial to the Committee.

H. Monthly Project Updates

1. Percent-for-Art:

Marcela Alcantar said it was an amazing experience to participate in the Art Advisory Committee as the Oversight representative. She cited an example of art integrated into the children and parent experience. The Art Committee considered exhibition for artists, paintings, sculptures, stories for kids for different cultures, etc. She recounted a story about the tooth fairy that shows similarities of cultures. She feels the zoo can bring cultural experiences to visitors too.

I. Program Status and Financial Information at a Glance

Dave Evans asked about the administrative costs. The large spike late in fiscal year 2012 was due to the bond sale costs. Administrative costs are tracking to forecast.

J. Consolidated Oregon Zoo Bond Program Schedule—no discussion

K. Open Discussion/Questions—no discussion

L. Other

Mr. Stroud reported that the Oregon Zoo just got notice that it received three awards from the Association of Zoos and Aquariums at its annual conference in Phoenix. The zoo, along with its conservation partners at the Woodland Park Zoo and Northwest Trek, earned “top honors” in the AZA’s North American Conservation Awards category for the collaborative Oregon spotted frog reintroduction project. The Oregon Zoo and Woodland Park Zoo took home a second North American Conservation Award for the “significant achievement” of their cooperative Oregon silverspot butterfly captive rearing program. The Oregon Zoo was also honored with the AZA’s Green Award, recognizing “significant achievement” in reducing the environmental impact of its day-to-day operations.

Chair Krys-Rusoff discussed the Oversight Committee’s annual report to the Metro Council, and the need to address it in November, to prepare the report by late February/early March 2013. Three subcommittees will look at the same three areas of the bond program as in previous years. She asked members to think about on which subcommittee they would like to serve, and if they would like to head a subcommittee. The subcommittees will start in November, but most of the work will likely be after the holidays. The subcommittees usually require several meetings and phone conversations. Draft reports will be brought for the full Committee to work on together.

Mr. Robinson announced that Craig Stroud has been appointed as interim deputy director of operations at the zoo. This is a reflection of the tremendous amount of support and credibility Mr. Stroud has at Metro and the zoo. Mr. Stroud will split his time between the bond program duties and zoo operations.

M. Adjournment

Chair Krys-Rusoff adjourned the meeting at 4:30 p.m.

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

Nov. 14 Room 370A/B, Metro, 600 NE Grand Ave., Portland (Note change of location)

Meeting dates for 2013 –Wednesdays, 3 to 5 p.m. at the Oregon Zoo:

Feb. 13 Skyline Rm.

May 8 Sunset Rm.

Sept. 11 Skyline Rm.

Nov. 13 Skyline Rm.