



Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Nov. 13, 2013
Minutes

**Oregon Zoo Bond
Citizens' Oversight Committee**
Room 370A/B, Metro Regional Center
Wednesday, Nov. 13, 2013
3 to 5 p.m.

MINUTES

MEMBERS PRESENT

Deidra Kryz-Rusoff (Chair)
Marcela Alcantar
Jacqueline Bishop
Ann Gravatt
Bill Kabeiseman (Vice Chair)
Penny Serrurier
Bob Tackett

AFFILIATION

Ferguson Wellman Capital Management
Alcantar & Associates
Jacqueline Bishop Law, LLC
Climate Solutions
Garvey Schubert Barer
Stoel Rives LLP
Northwest Oregon Labor Council

MEMBERS ABSENT

David Evans
Sharon Harmon
Jim Irvine
Carter MacNichol
Ray Phelps
Greg Gahan

AFFILIATION

Moda Health
Oregon Humane Society
The Conifer Group, Inc.
Shiels Oblatz Johnsen, Inc.
Allied Waste Services
NW Construction Management, Inc.

GUESTS

Bob Thrapp

AFFILIATION

PSE Architects

ELECTED OFFICIALS AND STAFF

Shirley Craddock
Teri Dresler
Caleb Ford
Jani Iverson
Jim Mitchell
Joel Morton
Heidi Rahn
Scott Robinson
Brent Shelby
Kim Smith
Julie Yocom

Metro Councilor
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 Director
Metro Deputy Chief Operating Officer
Oregon Zoo Bond Project Manager
Oregon Zoo Director
Executive Assistant to the Zoo Director

A. Welcome / Introduction

Deidra Kryz-Rusoff, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:10 p.m. and welcomed members. Members and guests introduced themselves.

B. Approval of Sept. 11, 2013, Oversight Committee meeting minutes

Members approved the minutes of the Sept. 11, 2013, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

C. Oversight Committee Vice Chair

Chair Krys-Rusoff noted that she is pleased to announce that Bill Kabeiseman has agreed to serve as Vice Chair.

D. Oversight Committee Membership

Chair Krys-Rusoff thanked those Committee members who have reached the end of their four-year term for their dedication and thoughtful oversight.

Heidi Rahn also thanked the Committee for their tenure, noting that because of their dedication Metro has been able to fulfill its promise to voters to provide oversight of the zoo bond program. As a third party reviewing the program, the Committee provided objective reports to the Metro Council and voters. She noted the many accomplishments the Oversight Committee has helped the Better Zoo Program accomplish in the last four years:

- Comprehensive Capital Master Plan—a year and a half project; set the course for the bond program and zoo for the next 20 years
- Land Use—three applications approved, no opposition, no delays to construction
- Veterinary Medical Center—under budget and on schedule; LEED gold certification; providing the best in animal care
- Penguins—new filtration system saving millions of gallons of water each year
- Water Main Building—infrastructure that supports rainwater collection and sustainability
- Elephant Lands design and construction—decision to use Construction Management/General Contractor (CM/GC) contracting; will quadruple the size of the exhibit; largest bond project, construction proceeding on schedule
- Condor Habitat Design—also under construction now; moved up to be constructed at the same time as Elephant Lands; first time for the public to see condors in Oregon in more than 100 years
- Percent-for-Art—Veterinary Medical Center art and programmatic approach to art spending; three central hubs with major commissioned art installations; contracted with first commissioned artist for East Hub.

Councillor Craddick also expressed her gratitude for the Committee's service. She noted that when the voters approved the bond measure in 2008, one of the reasons they felt comfortable entrusting their money to Metro, was that the bond measure called for an Oversight Committee that would look after their investment. She feels the Committee has helped the Better Zoo program be successful and deliver on its promises to voters, and thanked the outgoing Committee members for their years of service. Each of the following seven retiring members who volunteered for four years, serving two terms, since the Committee started in 2010 was recognized with certificates of appreciation and noted for the special expertise and attributes that they brought to the Committee. The retiring Committee members are as follows:

- Marcela Alcantar, President, Alcantar & Associates
- Jacqui Bishop, Attorney, Jacqueline Bishop Law, LLC
- Dave Evans, Senior Vice President and CFO, Moda Health

- Greg Gahan, VP Operations, NW Construction Management, Inc.
- Ann Gravatt, Oregon Director, Climate Solutions
- Jim Irvine, Homebuilder/Developer, The Conifer Group
- Ray Phelps, Regulatory Affairs, Allied Waste

Zoo Director Kim Smith also thanked the retiring Committee members for their invaluable service and hard work over the past four years.

Heidi Rahn noted that retiring Committee members have made several recommendations for new Committee members and these will be followed up on to determine interest. Metro is looking for nominations for new members with professional experience in construction, sustainability, finance, auditing, public budgeting, banking, education and diversity experience. The Metro Council is scheduled to make new appointments on December 5, 2013.

E. Oversight Committee Annual Report to the Metro Council

Chair Krysovoff noted that the Annual Report will be drafted for discussion at the February Committee meeting. The Committee has an unusual situation this year with so many members leaving the Committee, and few members left to prepare the 2014 annual report. It was noted that although Dave Evans' term ends in December, he has generously agreed to assist the Committee beyond that date with the finance and auditing portion of the report, along with Carter MacNichol and Bill Kabeiseman. Chair Krysovoff and Penny Serrurier will work on the process portion of the report. Chair Krysovoff requested that Metro staff look into the membership terms to limit the future impact of Committee turnover on annual reporting.

F. Monthly Project Updates

General zoo update:

Kim Smith highlighted some of the latest happenings at the zoo:

- The recent birth of three lion cubs – which the zoo is very proud of and has already garnered great public interest even though they are not officially on display yet.
- The Oregon Zoo celebrated its 125th Anniversary on November 8 – making it one of the nation's oldest and most respected zoos – made possible by the community's incredible public support. The zoo's 125th Anniversary will also be highlighted in a beautiful new ad campaign.
- ZooLights will run from November 29 to January 5 and although the train will not be running, it will be by no means a diminished experience with incredible new expanded light displays, featuring more than one million lights.

It was noted that the train is temporarily out of operation due to bond-funded construction of new tracks. The train is expected to be running again for ZooLights 2014. A new inner zoo loop is being constructed since the old loop went through what will be the new Elephant Lands. The Washington Park loop will also be back in operation in 2014. A new elevated track will provide views of Elephant Lands.

1. Elephant Lands

Jim Mitchell displayed a rendering of the new elevated train trestle which is part of the shorter zoo ride with expanded views of elephants in the north habitat. Chair Krysovoff questioned what stabilization measures will be needed for the elevated track. It was noted that the track is

not actually “elevated” but rather, the land drops in this area and therefore the ground is quite solid in these areas. The track will have a 3 to 3½ percent grade, allowing the existing trains to run on the new track with no modification to the engines. The zoo will take the opportunity to refurbish the trains during the 14 months they will not be running. It was clarified that bond money will not be used for any train-related costs and will only be used for track-associated costs.

The new service road is approximately 30 percent paved, and deconstruction of the Elephant Museum for the large habitat pool has begun. It was noted that the permitting process took longer than normal to complete, resulting in a schedule delay. Permits for Elephant Lands were approved by the city on October 31, final fees were paid and the permits were picked up on November 1.

The Guaranteed Maximum Price amendment documents were received from Lease Crutcher Lewis, reviewed by bond staff and forwarded to the Office of Metro Attorney for approval. Elephant Lands design team, Lewis and zoo staff completed the team charter for the construction phase of the project, mapping out desired outcomes, responsibilities and goals. Lease Crutcher Lewis and zoo staff continue to coordinate construction sequencing and campus impacts.

It was noted that the old Wildlife Live facility was displaced as part of the Elephant Lands construction. However, an existing building that had previously been used for primates has been repurposed, resulting in a much improved facility for the Wildlife Live program at minimal cost. The cost of this renovation came out of bond dollars because the prior facility was displaced due to Elephant Lands construction, but the costs were rather minimal and the improvements great. The space includes a large outdoor space for the birds and animals, resulting in increased animal welfare.

2. Condor Habitat

Condor habitat construction is moving along well at 60 percent completion and should be completed in February. The birds will then need some time to become acclimated to the new exhibit, with an anticipated public opening in April.

3. MWESB Contracting

The aspirational goal is 15 percent participation by Minority, Women, and Emerging Small Business firms on the zoo bond construction projects. Request for Proposals and Bids for the prime contractor includes language regarding Metro’s 15 percent goal and the expectation that the prime contractor submits proof showing that a good faith effort was made to contract with MWESB subcontractors. MWESB goal is an agenda item at all design and construction pre-bid meetings.

Lease Crutcher Lewis selected and mentored a minority business, R&R General Contractors, for the subcontract for Tiger Plaza demolition, with 77 percent of the project’s work going to this firm. Elephant Lands projection of hard construction costs is 11 to 15 percent participation rate; Condors 11 to 12 percent participation; both projects combined = \$5.2 million to MWESB.

MWESB experience is being sought for new Oversight Committee members.

Next steps include:

- Oversight Committee membership
- Oregon Procurement Information Network (ORPIN)
- Staff outreach
- CM/GC for Education Center

Future procurement efforts will benefit from ORPIN to increase outreach to MWESB contractors. Attendance at additional outreach events will also be coordinated by procurement staff, such as:

- Oregon Association of Minority Entrepreneurs (OAME)
- National Association of Minority Contractors – Oregon (NAMC – Oregon)
- Oregon Native American Chamber (ONAC)

Marcela Alcantar said she appreciates the zoo's efforts in what tends to be an uncomfortable issue and feels the zoo is going in the right direction. However she hopes that in the future the numbers could be more detailed and also warned against focusing on any one particular race group.

4. Education Center

Brent Shelby presented an overview on the zoo's Education Center, which will serve as a regional conservation education hub and the headquarters for the zoo's camps and education programs. The Education Center will enhance and expand the conservation education capacity of the region. It is the zoo's hope that the new Education Center will serve as a catalyst for:

- Environmental learning and discovery
- Conservation action and stewardship
- Showcase sustainable best practices

The project design will embody the purpose statement by:

- Creating connections between the zoo, the community and the natural world.
- Offering flexible and changeable learning environments for different groups.
- Emphasizing hands-on experiences.
- Using and celebrating natural materials and a natural aesthetic.
- Showcasing sustainability by using materials, systems and structures that teach.
- Creating comfortable and accessible spaces for all audiences.
- Incorporating whimsy thoughtfully.

The Education Center has four distinct areas of construction:

- The main building.
- Water quality swale in partnership with Portland Parks & Recreation.
- Utility work on the spine connecting to the elephant utility installation below the central hub.
- West hub and train storm line work.

Chair Krysov-Rusoff questioned how the drop-off for zoo summer camps would be affected by the Education Center construction. Mr. Shelby noted that there will be some disruption during construction, but that the completed center will serve as the new drop-off point, rather than be spread out as it currently is, and will be much safer logistically when completed.

The project site includes a major circulation arterial between the entrance and exit and the rest of the zoo. Utility work associated with this project will extend down the zoo street to the Central Hub in the center of the zoo, impacting visitor and staff traffic. Site and utility work will impact parking areas, roads, sidewalks and bike paths in Washington Park (PP&R property). Close coordination between construction and facility operations, planning and control of complicated schedules, will be required.

Jim Mitchell also noted that all sites on zoo grounds are geologically complex. It is known that landslides and incremental land movement have been recorded within the project site and require special construction methods based on these geological challenges.

For this project the bond team recommends use of an alternate procurement method involving a Construction Management by General Contractor (CM/GC). Involvement of CM/GC during design provides the opportunity to start construction on portions of the work before all of the design is complete – focusing holistically on the project site vs. just the actual building. Construction on the utility work can be completed early while the building is still being designed. Phased construction will save time on the overall schedule and can be implemented more effectively around the zoo’s scheduled activities and revenue opportunities.

Consultant Pinnell Busch was hired by Metro a few years ago to review alternative contracting options for zoo bond projects. Their findings (two papers) have been used as the basis of determining which bond projects qualify for CM/GC. It is their belief that “Involving a contractor during the design fosters teamwork that results in a better design, faster progress with fewer delays and less costs.”

Councilor Craddick noted that because public dollars drive the bond projects, the accepted standard is typically to go with the lowest bid, and that use of a CM/GC would be an exception to the standard practice. Marcela Alcantar said that her preference would be CM/GC as it encourages more participation of MWESB firms, as opposed to just going with the lowest bid. Bill Kabeiseman said he also believed that there was distinct advantage for MWESB by using the CM/GC model, rather than just going with the low bid; noting that you can expand the criteria to also take into account past performance.

The bond team noted that the Metro Council would need to approve an alternative procurement method involving a CM/GC, prior to the January 2014 RFP for design and the February 2014 RFP for construction. It was noted that the Oversight Committee has previously been presented with the pre-schematics for the Ed Center, and the functionality and the goals will not change.

Chair Krys-Rusoff said she has been very pleased with the current contractors, Lease Crutcher Lewis, noting that they have remained within budget and are still carrying an adequate contingency. Kim Smith agreed, remarking that they have also been very helpful with making suggestions that help keep the aesthetics while remaining within budget – that it “has been seamless to have them on-site.” Jim Mitchell noted that the CM/GC process is still very competitive in that the project still seeks three bids for every aspect of the work, for example – steel and concrete, and all subcontractor bids are publicly opened.

Marcela Alcantar agreed that Lease Crutcher Lewis has been great at using smaller firms and feels they are a good partner to follow through with the Zoo Bond vision and mission. Kim Smith noted that the MWESB aspect was a strong part of the interview process with Lease Crutcher Lewis and will continue to be with future contractors. Scott Robinson said he feels the CM/GC process helps to avoid surprises and that often the firm with the lowest bid is not necessarily concerned with phasing, the impact on guests, let alone some of the unexpected complications (such as the discovery of human remains) that Metro has encountered during this process and that it is important with complex projects such as this, to keep an eye on all facets.

Chair Krysovoff made a motion for the approval of the CM/GC process, noting that the Committee's approval was non-binding but might assist with Council decision-making. The motion passed unanimously.

5. Remote Elephant Center

Due diligence regarding the Remote Elephant Center at the Roslyn Lake site is still in process and Metro's option on the property has been extended out one year, through December 2014. PGE is still resolving storm water and neighboring property issues. Heidi Rahn noted the zoo would continue to assess drainage issues this rainy season.

Bill Kabeiseman asked if there have been any recent conversations with Clackamas County; it was noted that there have been no updates to report. Heidi Rahn said she will work on an operations plan to determine feasibility of a Remote Elephant Center before making any recommendations.

6. Interpretive Experience Design Services

Visitors evaluated Elephant Lands draft interpretive materials and the feedback was very positive. The graphic panels were well received and visitors took away that animal health and well-being was the number one priority in the design of Elephant Lands through our interpretive panels. Staff have also been working with the Institute of Wildlife on interpretive materials for the condor exhibit. Chair Krysovoff gave kudos to the zoo for their partnership with the U.S. Fish and Wildlife Service in regard to condors, noting that she understands that there are very few zoos that they work with. Kim Smith noted that she is also very proud of the zoo's condor program and that the Oregon Zoo is considered to be one of the most powerful partners by the U.S. Fish and Wildlife Service in regard to our preparation and resources.

7. Percent-for-Art

Each hub will have an artist commission. The Public Art Advisory Committee selected artist Catherine Widgery for Elephant Lands/East Hub. Catherine has worked with the committee, architect and bond team on design. It was noted that Marcela Alcantar is the current Oversight Committee representative on PAAC and will need a replacement.

G. Program Status and Financial Information at a Glance

Chair Krysovoff noted that Committee member David Evans who was unable to attend today's meeting had questioned who/what was included in the administrative cost line for the report. Heidi Rahn noted that Metro Council recently approved the hiring of a construction assistant and the numbers will be adjusted to reflect this change in administrative costs. Heidi agreed to send revised administrative costs to the Committee.

H. Program Schedules

Consolidated Oregon Zoo Bond Program Schedule – no discussion

A Better Zoo Program Construction Projects Schedule – no discussion

Jacqueline Bishop expressed concern that the later-scheduled bond projects for polar bears and primates might not happen if there is overrun in the projects currently underway. Craig Stroud noted that there is currently a contingency of more than \$6 million, and there are not any foreseeable cost risks associated with any of the upcoming projects. Jim Mitchell stated that the zoo is committed to making sure that all of the projects are completed and echoed the assurance that Metro is still holding adequate contingency. Kim Smith noted that the bond projects have been well –managed to date and that there is contingency set aside for each individual project. She stated it is important to the zoo and her personally that all of the projects are completed as planned.

I. Open Discussion/Questions

Councilor Craddick questioned if the zoo was still using volunteer construction talkers to answer zoo visitors’ questions regarding the bond projects. Kim Smith noted that the zoo has volunteer construction talkers, along with Zoo Teens with i-Pads showing the schematics of the bond projects, and that they all did a fabulous job and were well-received by zoo guests. Not as many volunteer construction talkers are currently on zoo grounds, as attendance significantly drops off this time of year. Numerous construction talkers will be on hand for ZooLights, especially to highlight the train’s return, in addition to promoting the bond projects.

J. Adjournment

Chair Kryss-Rusoff adjourned the meeting at 4:45 p.m.

Meeting dates for 2014 –Wednesdays, 3 to 5 p.m.:

- Feb. 12, 2014 Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR
- May 14, 2014 Room 401, Metro Regional Center, 600 NE Grand Ave., Portland, OR
- Sept. 10, 2014 Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR
- Nov. 12, 2014 Kalahari Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR