



Oregon Zoo Bond Citizens' Oversight Committee Meeting

Oregon Zoo – Skyline Room
Wednesday, Sept. 13, 2017
3 to 5 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Sept. 13, 2017

Minutes

MINUTES

MEMBERS PRESENT

Ruth Shelly (Chair)
Dan Aja
Noah Bishop (via speakerphone)
Heidi Goertzen
Susan Hartnett (Vice Chair)
Deborah Herron
Mickey Lee
Daniel S. Morris
Katherine A. Porras
Dick Stenson
Christi L. Taylor
Karen Weylandt

AFFILIATION

Portland Children's Museum
Banfield Pet Hospital
Bishop Bankruptcy Law, LLC
Ferguson Wellman Capital Management
Spectator Venues, City of Portland
Walmart
NW Natural
Daniel Morris Research, LLC
Meyer Memorial Trust
Retired healthcare executive; community volunteer
Miller Nash Graham & Dunn
Providence Health & Services

MEMBERS ABSENT

Jill Mellen
Robyn K. Pierce
Mike Schofield
Kevin Spellman
Tom Turnbull

AFFILIATION

Research Biologist
Pierce, Bonyhadi & Associates
Gresham-Barlow School District
Spellman Consulting, Inc.
OpenSesame Inc.

GUESTS

None

AFFILIATION

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Caleb Ford
Kate Giraud
Sharon Glaeser
Jim Mitchell
Joel Morton
Linnea Nelson
Heidi Rahn
Scott Robinson
Marcia Sinclair
Cary Stacey
John Sterbis
Becca VanBeek

Metro Councilor
Metro Assistant Finance Manager
Oregon Zoo Bond Assistant Project Manager
PSU PhD. Student, Elephant Welfare Study Research
Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Oregon Zoo Bond Program Director
Metro Deputy Chief Operating Officer
Oregon Zoo Marketing
Metro Project Manager, ICAP
Oregon Zoo Facilities Manager
Zoo Animal Curator

A. Welcome / Introduction

Ruth Shelly, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:03 p.m., and members and staff introduced themselves. Zoo director Don Moore, member Jill Mellen, and many others are attending the Association of Zoos and Aquariums national annual conference this week in Indianapolis.

Zoo bond program director Heidi Rahn received notice from them that the Oregon Zoo had won two prestigious AZA awards: one for conservation work on behalf of imperiled California condors in the collaborative California condor recovery project, and another recognizing excellence in exhibit design for Elephant Lands as the best new exhibit. These awards are particularly significant because they are awards from zoo and aquarium colleagues across the continent, and are thus a true compliment to the Oregon Zoo team. Elephant Lands is already a much beloved project and has garnered 16 awards to date. Ms. Rahn thanked construction manager Jim Mitchell for his successful leadership on the project.

The agenda for this meeting has a new order. At the request of the Committee, the project, financial and schedule updates have been moved up before other presentations, to give the updates top priority and not cut their time short, as the core work of the Committee.

B. Approval of May 10, 2017, Oversight Committee meeting minutes

Members approved the minutes of the May 10, 2017, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

C. Appointment of Oversight Committee Vice Chair

As chair of the Committee, Ruth Shelly can appoint a vice chair, to lead the Committee in Ms. Shelly's absence. At the last meeting, she called for volunteers, and Susan Hartnett responded. Chair Shelly has appointed her to serve as the Committee vice chair starting with this meeting. When Ms. Shelly's term ends in spring 2018, the Metro Council will have the opportunity to appoint Ms. Hartnett as chair, with the intent of her leading it to the program conclusion.

D. Monthly Project Updates

1. Education Center

The Education Center is operating beautifully, and had a successful season with camps and teen programs. Pick-ups and drop-offs went smoothly, and program partners are happy about the touch points with visitors. Bookings for the new center are high, as the zoo's premier space, and it is operationally meeting the zoo's needs. Education programs have priority, but it has been a successful space for catering as well. An internal operating agreement has been working well to manage the schedule, priorities and bookings, including events in the outdoor Discovery Plaza. Evenings have had more catered events, when the center is not booked with education programs. A few items remain on the construction management general contractor's punch-list, and the project is at its tail end.

2. Polar Passage/Primate Forest/Rhino

In April, the Metro Council combined the Polar Passage, Primate Forest and Rhino habitat projects (PPR) under the existing Polar Passage construction and design contracts. The project budgets and schedules have been combined for contract management purposes. Staff is still tracking the individual projects to their approved budgets as well. In September, a donation of \$237,333 from

the Nancy Parr estate was added to the Primate Forest budget. This contribution comes through the Oregon Zoo Foundation, and is an enhancement to the Primate Forest budget (does not offset or subtract from any other funding.) The bond team is working on catching up the Primate Forest design phase to that of Polar Passage, and had an intense design workshop with zoo staff recently.

3. Interpretive Experience

The wayfinding portion of the Interpretive project is complete, except one final kiosk that will be installed in the Polar Passage plaza near the end of the project. Kate Giraud, zoo bond assistant project manager, is leading the interpretive design work for the Polar Passage/Primate Forest/Rhino project.

4. Percent-for-Art

Vice chair Susan Hartnett is the Oversight Committee representative to the Oregon Zoo Public Art Advisory Committee, which met on Sept. 6 and approved the commissioned art concept for Polar Passage to proceed to the next step. The group closely reviewed the artist team of Veronica and Edwin Dam de Nogales' proposed concept to insure it is safe, accessible and conveys the artists' intent and supports the interpretive messaging of the Polar Passage project. There is much support from staff, OZPAAC and the design team for the proposed melting polar bear sculpture and polar bear benches. The next step is for the concept to go to the Metro Council for approval in November. Staff has asked the artist to prepare a video to be presented to the Council, since the artists speak so eloquently and passionately about their proposed artwork. This is the third major art commission in the bond program. The other remaining art project is to relocate within the zoo the Warren Iliff sculpture garden that was temporarily removed during construction. OZPAAC also has a charge to see that the zoo is set up to manage its art collection on an ongoing basis. OZPAAC will likely wrap up its work this coming winter or spring 2018.

5. Electrical Infrastructure

Ms. Rahn introduced zoo facilities manager (and prior zoo food and beverage manager) John Sterbis, who is managing the Electrical Infrastructure project. This is a new bond project designated by the Metro Council in March 2017 when it allocated remaining bond funds. Mr. Sterbis is managing the work, and Ms. Rahn is overseeing the expenditures, as defined in an interdepartmental memorandum of understanding.

As part of the electrical infrastructure project, zoo leadership approved participating in a Dispatchable Service Generation (DSG) partnership with Portland General Electric. Control upgrades to two existing generators and one new generator will be paid for by PGE. PGE will perform routine maintenance and monthly load testing on the zoo generators for 10 years, which is a major benefit to the zoo. PGE will link the generators to their operating system to access additional power when needed. In the event of a power outage, the zoo will maintain access to the generators. The zoo will budget \$67,400 for owner upgrades needed to prepare for the DSG, and this funding will come from the electrical infrastructure zoo bond budget. Up-front capital costs of \$576,600 for the control upgrades will be covered by unallocated Oregon Zoo Foundation funds in the bond program electrical infrastructure budget, and then reimbursed by PGE. PGE will pay the zoo \$576,600 for the control upgrades, and payment will be received in installments, with all payments provided by January 2019 at the latest. This partnership represents a great opportunity for the zoo that will provide more robust generator power that will be able to run indefinitely so long as the fuel tanks are filled. Deputy COO Scott Robinson emphasized that the primary value of the agreement is that PGE does not have to provide electrical service to the zoo during an emergency, enabling it to

service other customers, since the zoo will be operating independently with DSG. Chair Shelly pointed out that consistent power generation in case of emergency is critical to maintain animal life dependent on electrical systems, and the DSG agreement will be a mutual benefit for PGE and the zoo.

E. Program Status and Financial Information at a Glance

The financial summary report reflects the Metro Council reallocation of bond funds in March 2017, the combining of Polar Passage/Primate Forest/Rhino (PPR) project, the Nancy Parr estate contribution added to the Primate Forest budget, and two Energy Trust of Oregon incentives recently received for the Education Center and PPR.

Members asked about the timing of the final bond sale. Metro assistant finance director Caleb Ford explained that there are some requirements for selling bonds within a certain timeframe when the program is ready to spend the funds. Metro will look for gaps in the bond sale calendar when others are not on the market, in order to maximize the bond sale benefit. The timing may also depend on other Metro bond activity, and will try to combine the bond sales for economy of scale, to save money. If the timing does not line up to combine them, it will probably be a private placement (not public sale). A private sale is cheaper when the issuance is smaller. Metro has a great credit rating and the investment market is still good. Receiving another bond premium from the sale is a possibility. Chair Shelly expressed gratitude for Mr. Ford's monitoring and planning for the bond sale.

Members also asked about the unallocated bond funds and how they would be treated. Mr. Ford said as long as the bond program follows the intent of the ballot measure, they can be spent on smaller projects. Mr. Robinson noted that another option is to refund any remaining funds, but that would be a miniscule amount.

F. Program Schedules

The monthly reporting now shows one schedule, with all of the bond projects. PPR construction is scheduled to start in the spring of 2018, pending City of Portland permits, and wrap up in mid-2020.

Some Oversight members' terms will be done in spring 2018 following completion of the Committee's annual report. Staff will do a recruitment for a final set of members to be appointed by the Metro Council to finish out the program.

G. Polar Passage/Primate Forest/Rhino schematic

Zoo construction manager Jim Mitchell and assistant project manager Kate Giraud gave an update on the Polar Passage/Primate Forest/Rhino project schematic design (a copy of their presentation is included with the record). They reviewed the overall schematic design site layout, pointing out the existing elements that will remain, and new elements, and showed a video of the design model to date. Some items planned for Polar Passage include terraces with natural substrate that provide long vistas for the bears, an off-exhibit yard, a maternity den and yard, saltwater pools, a 12-foot deep pool with diving rocks for the bears, underwater viewing of bears swimming, a visitor cave, and cooled slabs. The project includes a central plaza and new event space adjacent to a new café to replace the existing Bearwalk Café, and new restrooms. Some of the existing Polar Bear rockwork will remain, and Swigert fountain between Penguins and Polar Bears will remain, with some minor work. The carousel is shown on the site layout, but staff is hoping to relocate it to another part of the zoo campus.

Nora, the young polar bear at the Oregon Zoo, will be leaving in the coming month, and the Oregon Zoo is on the top of the Species Survival Plan/AZA list to get polar bears when Polar Passage opens. It will be designed to hold up to six polar bears.

The new Primate Forest will use the existing chimp yard, but will fill in the moat, enabling visitors to be much closer to the chimps. The Red Ape (orangutan) building and habitat built in 2010 will remain, but the older portion of the building will be demolished, with a gibbon holding area added to the end of the red ape building. A new building is planned for the chimps.

The rhino habitat is a much smaller project (approximately \$500,000), which will include mostly civil work to expand and upgrade the habitat into the existing hippo habitat. The hippos will go away, per the zoo master plan. The hippo pools will be filled in and the habitat leveled for the rhinos, and a separate area created for a mother and baby rhino. The zoo is working on providing more opportunities for special visitor encounters with the animals, so the design team is exploring the possibility of providing a rhino encounter area for visitors to feed and interact with a rhino. The rhinos may go away from the zoo during construction. Planning is underway with the rhino species survival plan management group that oversees and makes recommendations on where animals are placed nationwide.

Construction will begin in the spring of 2018 with demolition of the existing polar bear and primate building. In general, the construction will be from the center of the zoo moving outward. The construction will be phased, with temporary, 12-foot wide elevated walkways so that at any time, visitors will have access to where they need to go.

Percent-for Art

Staff showed images of the “melting ice bear” sculpture proposed by the percent-for-art commissioned artists Edwin and Veronica Dam de Nogales. The design team has recommended that the sculpture be installed along the walkway near the new Polar Passage open-air interpretive building. The artists have shown a great passion for polar bears, and have a strong commitment to communicating about the peril of the bears and their diminishing ice habitat. They want to bring forward something that will touch people’s hearts and move them to action. The artists have modified the original design, which the Oregon Zoo Public Art Advisory Committee had feared might be too heart-rending and negatively impactful. They did not want people to feel powerless or overwhelmed, but instead want people to be touched to take action. Susan Hartnett represents the Oversight Committee on OZPAAC, and feels the modified artwork will be very powerful and accessible, depicting a curious rather than frightened bear. Visitors will be able to look into the eyes of the nine-foot bear made of recycled aluminum. The art commission also includes two polar bear benches in a lighter and more fun style. They are proposed to be installed at the entry to the Polar Passage walkway near the deep water pool viewing. OZPAAC unanimously recommended the art concept. The Metro Council is scheduled to review the proposed art concept in November for approval to proceed.

Interpretives

Kate Giraud reviewed the Polar Passage and Primate Forest interpretive themes. The zoo wants visitors to feel empowered to take their own actions in response to climate change to create collective action to help polar bears in the wild. The new habitat will also bring to the forefront that

the bears and keepers work together as partners in conservation science that benefits bears in the wild. The team is working to present the themes in a way that is not too overwhelming, and also lets the viewer experience the bear's arctic environment.

The most significant environmental challenge facing primates around the world is human-caused deforestation. The zoo wants viewers to realize they can help make a change and combat deforestation. Apes are highly intelligent problem solvers that are well-adapted to the complexity of the life in the rainforest. The zoo is committed to providing an enriching environment to the primate species in its care. The new project will highlight the differences of the three species, and simulate the arboreal environments. The zoo will provide the animals with choices and individual care, and they will continue to be exceptionally well-cared for primates.

H. Zoo and Metro Update

Since zoo director Don Moore is away at the AZA conference, other staff provided the zoo and Metro updates.

Equity

Heidi Rahn referenced the zoo bond program's Equity in Contracting quarterly report that was issued in July for the second quarter of 2017. It included an update on the Construction Careers Pathway Project (C2P2). The Education Center project had a COBID-utilization rate of 29 percent to date, and the zoo reviewed lessons learned with the construction management general contractor, Fortis Construction. The zoo is currently working with Lease Crutcher Lewis, the CM/GC for Polar Passage, who will be developing a workforce and contractor diversity plan in preparation for going out to bid next spring.

Integrated Conservation Action Plan (ICAP)

Cary Stacey, Metro project manager for the zoo's Integrated Conservation Action Plan gave an update and presentation, a copy of which is included with the record. Everyone who works or volunteers at the zoo has a role in conservation. The ICAP establishes the zoo's conservation priorities and engages every zoo division in supporting them. It is part of the zoo director's agenda. The ICAP provides a framework for making decisions throughout the zoo that support conservation. An example of this is the Pelican Beer served at the zoo's Cascade Grill that has proceeds from the beer going to help salmon. Another example is the water-saving toilets and accompanying interpretive signs in the zoo restrooms.

The group working on the ICAP is a cross-division collaborative team. It defined conservation action as inspiring and engaging the community, the zoo's staff and volunteers to make a positive difference for wildlife and the natural environment. The team also defined five guiding principles that apply to all ICAP goals: animal welfare, sustainability, collaboration, diversity/equity/inclusion, and integration. The ICAP prioritizes three populations: wildlife affected by climate change, wildlife affected by deforestation and local wildlife. It also has three focus areas on animals, people and operations: 1. Wildlife populations are self-sustaining; 2. Our community takes action for wildlife; and 3. Operations have net-neutral/positive impact on wildlife. These will be attained by goals the ICAP team will define that are specific, measureable, achievable, relevant and time-bound (SMART goals). One example is that 80 percent of products sold at the zoo are wildlife friendly. By 2025, the goal is to have 50 percent of the zoo's animal collection be conservation priority species. The ICAP team will be launching its work on goals in September. The ICAP will be a foundation for the next strategic plan for the zoo, which will be in 2019-2020 (but the current strategic plan actually expires

in June 2018). Ms. Stacey is committed to engaging communities of color to weigh in on the goals, and will be working to get as many different perspectives as possible.

Animal transitions

Becca VanBeek, zoo animal curator, discussed the transitions of animals in conjunction with the upcoming construction. The focus is on providing the best quality of life for animals. The zoo made a decision to focus on what it could do well, and decided to limit the primates to three species: orangutans, gibbons and chimps, and phase out the others. The orangutans will likely be housed temporarily in the Veterinary Medical Center, and the chimps will occupy the Red Ape habitat during the construction. The saki monkeys, pigs and hippos will be sent to new zoo homes, among other animals. The zoo started way in advance to plan for the relocation of the animals, so the moves should not affect the construction schedule. Animals will begin being moved this fall and again in the spring, during the approved shipping seasons. Some animals will be transported on trucks and some sent via air, and some will be accompanied by a zoo keeper and a veterinarian. The staff has been working for months to train the animals to feel comfortable in a moving crate, to make the move as comfortable as possible. Ms. VanBeek noted that the bond team has been very thoughtful at prioritizing construction to best accommodate the animals, especially knowing that the orangutans will be waiting at the VMC for the new habitat.

The zoo has been focusing on educating visitors about palm oil consumption and the effects on habitat loss for the orangutans and gibbons. The chimps are older animals and have a more dynamic social group that makes their activity more lively and requiring more space. So the new chimp habitat will use space previously used by the smaller primates. Another consideration was that orangutans and gibbons can be together in a habitat, with natural interactions. The zoo is looking at mixing some species, to make it more dynamic for the animals and visitors.

Members asked about possible zoo revenue loss and personnel shifts during construction. John Sterbis is leading an internal task force to address and minimize possible forecasted revenue loss, to plan for it, and make the zoo still an exciting, worthwhile place to visit. The PPR project presents a special challenge since it is in the middle of the zoo campus. A new giraffe encounter is planned, and will be operational by next year, providing an opportunity for visitors to purchase food and feed the giraffes. Other special animal events are being explored and planned to showcase the other animals and attract visitors. Personnel shifts due to sending some animals away will depend on the animal phasing. If the red apes are at the VMC, it will take more intensive staff work to keep them challenged, and some staff may be more involved in providing special visitor interactions. Deborah Herron noted that the zoo has gone through several intensive construction cycles with some revenue fluctuation, but not that much to cause a big problem.

Chair Shelly and vice chair Hartnett praised the zoo's vision regarding species, noting that it will serve as a guiding light for the future. They noted that zoos have specialized in species that have a special connection to their specific communities. Visitors can then visit more zoos to see different species and messaging.

I. Other

Chair Shelly will miss the next Oversight Committee meeting on Nov. 8, 2017, due to an out-of-state board meeting conflict, so vice chair Hartnett will chair the Oversight meeting. At that time, she will be asking members to volunteer for helping write the Committee's annual report for the 2017 calendar year (to be presented to the Metro Council in the spring of 2018). She encouraged

members to volunteer since it is the single-most important product of the Committee, it has gotten easier each year, and volunteers will gain more than they give in the process.

Chair Shelly announced that Heidi Rahn is one of the nominees to be honored at the Daily Journal of Commerce Women of Vision awards luncheon on Tuesday, Oct. 10 in Portland. The luncheon program supports women who are shaping our built environment with their leadership, mentoring efforts, community involvement and the promotion of industry diversity.

Yesterday the Portland City Council approved an intergovernmental agreement with Metro for a permanent easement, repayment of stormwater costs, and an operating agreement. The Metro Council is set to approve it tomorrow, Sept. 14, 2017. Metro has been working on this agreement since 2011. Deborah Herron encouraged staff to communicate that to the Oregon Zoo Foundation, which may send thank you notes to the Council. Scott Robinson agreed to update OZF. Chair Shelly remarked on the continuity of work at the zoo and with the bond program, that some projects take years and years of effort and people come and go over the years, but no one drops the ball and the work is successfully completed. This IGA is a great example of that.

J. Adjournment

Chair Shelly adjourned the meeting at 4:53 p.m.

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

Nov. 8, 2017 Conservation Hall, Education Center, Oregon Zoo
Feb. 14, 2018 Skyline Room, Oregon Zoo
May 9, 2018 Skyline Room, Oregon Zoo
Sept. 12, 2018 Conservation Hall, Education Center, Oregon Zoo
Nov. 14, 2018 Skyline Room, Oregon Zoo