

**METRO OPERATIONS COMMITTEE MEETING**

**MINUTES OF THE METRO OPERATIONS COMMITTEE MEETING**

Wednesday, September 8, 1999

Council Chamber

Members Present: Ed Washington (Chair), Bill Atherton (Vice Chair), Jon Kvistad

Chair Washington called the meeting to order at 3:42 PM.

**1. INTRODUCTIONS**

None.

**2. CITIZEN COMMUNICATIONS**

None.

**3. CONSIDERATION OF THE MINUTES OF JULY 21, AND AUGUST 4, 1999, METRO OPERATIONS COMMITTEE MEETINGS**

**Motion:**

Councilor Atherton moved to recommend adoption of the minutes from the July 21, and August 4, 1999, meetings of the Metro Operations Committee.

**Vote:**

Chair Washington and Councilors Kvistad and Atherton voted aye. The vote was 3/0 in favor and the motion passed unanimously.

**4. RESOLUTION NO. 99-2826, FOR THE PURPOSE OF APPROVING A CHANGE OF COMPOSITION AND REVISING THE BYLAWS FOR THE METRO POLICY ADVISORY COMMITTEE**

Lisa Lister, Administrative Assistant for the Metro Policy Advisory Committee (MPAC), explained that MPAC had passed a motion recommending to the Council that MPAC's bylaws clarify that the three citizen representatives were to be appointed one from each county. That has been the practice, but it has not been so stated in the bylaws. In addition, MPAC would like to add a representative from the Port of Portland as a voting member.

Councilor Atherton asked if this resolution were to pass, how many MPAC members would be elected officials of local jurisdictions as compared with non-elected members of other groups. He then calculated the information from Attachment A to the resolution (contained in the agenda packet of the meeting record).

**Motion:**

Councilor Atherton moved to recommend Council adoption of Resolution 99-2826.

**Vote:**

Chair Washington and Councilors Atherton and Kvistad voted aye. The vote was 3/0 in favor, and the motion passed unanimously.

Councilor Atherton will carry the resolution to the full Council.

**5. RESOLUTION NO. 99-2833, FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICE TO SUBMIT AN APPLICATION TO THE STATE OF OREGON ECONOMIC DEVELOPMENT DEPARTMENT FOR LOW COST FINANCING FOR A PORTION OF THE RECONSTRUCTION OF EXPO CENTER HALL D**

Jennifer Sims, Chief Financial Officer, explained that this resolution was a request for authorization to apply for a loan from the Oregon Economic Development Department (OEDD) to reconstruct Expo Hall D. She said she had been working with MERC staff, Metro's financial advisor, and its bond council to develop a financing plan, with the goal of obtaining the best financing rate and ensuring a timely cash flow for this project. She said issues have included the fact that the revenue stream from Expo, which was intended to pay for this, is not strong enough to get the best rating. Metro would need to provide additional backing, which would mean looking to the general fund. However, the current condition of the general fund is not particularly good. The OEDD offers low-cost financing for this type of project and has indicated it would be willing to provide a loan. Furthermore, the loan would be enough to provide sufficient cash flow until next summer, when the general fund should be in good enough shape to back up full bond financing. (More details on this arrangement are provided in the staff report that accompanies the resolution in the agenda packet as part of the meeting record.)

Tom Imdieke, Financial Planning Division, clarified a technical matter. He said the last paragraph of the resolution now reads "...as presented in Attachment A..." There is no Attachment A. It should read "...as presented in the Staff Report..." He said that correction would be made before the resolution comes before the full Council.

Mr. Imdieke explained that originally the staff had planned to finance this project through a \$2.2 million infrastructure loan from the OEDD. The remainder of the \$15.8 million would be financed through revenue bonds. After MERC and financial planning staff talked with OEDD, it learned of a newly approved state program, the "Community Facilities Program." Under that program, Metro could borrow up to \$3 million for that facility and continue to apply for the \$2.2 million for the infrastructure. Early last week, OEDD staff said it had given initial approval to proceed with the loan application. This resolution requests approval to do that.

Mr. Imdieke said this route provides several advantages to Metro. First, it would provide overall project cost savings by saving issuance and handling costs, which would be picked up by OEDD. In addition, OEDD will not require Metro to establish a reserve fund. The other major advantage is that it would give enough cash until at least July of 2000. The revenue bonding process could then be started in the spring, with a brighter outlook on general fund resources. That would give Metro a better rate while retaining the excellent rating it currently has in the market.

Councilor Atherton asked for clarification on the bond rating. He asked if the state had a better bond rating that MERC or Metro does. Ms. Sims said the ratings are similar, but the State could offer, through its lottery money, to pay for the issuance costs. This is a state investment program to stimulate economic development. She said the interest rate would be the same. In addition, the state would not require a one-year reserve account to service the debt. Financing \$5 million of the \$15.8 million this way both gives these financial advantages and buys time for issuing the full bonds until Metro has a healthier condition to report to the bonding agencies.

**Motion:**

Councilor Kvistad moved to recommend Council adoption of Resolution 99-2833.

**Vote:**

Chair Washington and Councilors Atherton and Kvistad voted aye. The vote was 3/0 in favor, and the motion passed unanimously.

Councilor Kvistad will carry the resolution to the full Council.

**6. RESOLUTION NO. 99-2837, FOR THE PURPOSE OF ADDING A REPRESENTATIVE OF THE ST. JOHN'S NEIGHBORHOOD ASSOCIATION TO THE SMITH AND BYBEE LAKES MANAGEMENT COMMITTEE**

Michael Morrissey, Councilor Analyst, explained that the resolution would add a citizen member specifically from the St. John's Neighborhood Committee. One seat has already been designated for a citizen from one of the member associations of the North Portland Neighborhood Office. This would recognize that the Smith and Bybee Lakes lie entirely inside the St. John's neighborhood and, therefore, designate an additional seat for a representative specifically from that neighborhood association. Mr. Morrissey said he called the City of Portland and the North Portland Neighborhood Office to inform them of this resolution.

**Motion:**

Councilor Kvistad moved to recommend Council adoption of Resolution 99-2837.

**Vote:**

Chair Washington and Councilors Atherton and Kvistad voted aye. The vote was 3/0 in favor and the motion passed unanimously.

Chair Washington will carry the resolution to a meeting of the full Council.

**7. Councilor Communications**

Councilor Kvistad said the City of Portland has required several million dollars in landscaping out at Expo. He said he had spoken with Mayor Katz's office about this and requested a 24-month delay. The delay would correspond with final siting of the light rail out there. In addition, it would allow time for the planning and design work to be completed for phase 3, should that be funded from the solid waste disposal savings. That way all the landscaping could be done for the entire footprint at the same time. He said he had gotten positive responses from the city, although nothing yet in writing.

Chair Washington asked Councilor Kvistad to keep Mr. Morrissey informed on developments related to this project. He also asked that Mr. Houser be kept informed on issues relating to allocating any solid waste savings to the planning and design of phase 3.

Councilor Kvistad explained that this issue had come up in relation to planning the light rail station. He said that if the city allows Metro to postpone landscaping, it would save Metro hundreds of thousands of dollars by avoiding the need to change landscaping already completed. It would also make the design work for phase 3 more efficient.

**ADJOURN**

There being no more business to come before the committee, Chair Washington adjourned the meeting at 4:07 PM.

Prepared by,

Pat Emmerson  
Council Assistant