

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF SUBMITTING TO THE METRO	)	RESOLUTION NO. 08-3945
AREA VOTERS A GENERAL OBLIGATION BOND	)	
INDEBTEDNESS IN THE AMOUNT OF \$125 MILLION TO	)	Introduced by Metro Council
FUND OREGON ZOO CAPITAL PROJECTS TO PROTECT	)	President David Bragdon
ANIMAL HEALTH AND SAFETY, CONSERVE AND	)	
RECYCLE WATER, AND IMPROVE ACCESS TO	)	
CONSERVATION EDUCATION; AND SETTING FORTH	)	
THE OFFICIAL INTENT OF THE METRO COUNCIL TO	)	
REIMBURSE CERTAIN EXPENDITURES OUT OF THE	)	
PROCEEDS OF SAID BONDS UPON ISSUANCE	)	

WHEREAS, on April 13, 2006, the Metro Council adopted Resolution 06-3659, “For the Purpose of Establishing the Oregon Zoo Future Vision Committee,” which established the Oregon Zoo Future Vision Committee to recommend updates to the Oregon Zoo’s master plan, changes to the Oregon Zoo’s conservation and environmental education programs, and operating reforms to address the Oregon Zoo’s systemic fiscal challenges; and

WHEREAS, the Oregon Zoo Future Vision Committee returned its reports to the Metro Council on October 4, 2007, with recommendations including updating the Oregon Zoo’s master plan and enhancing the Oregon Zoo’s infrastructure, and recommending strengthening the Oregon Zoo’s leadership role in wildlife conservation and environmental education; and

WHEREAS, the Metro Council directed The Oregon Zoo Foundation to perform additional research, narrow down options, and put forth infrastructure improvement recommendations for a potential November 2008 ballot measure for a bond to fund capital improvements at the Oregon Zoo; and

WHEREAS, The Oregon Zoo Foundation, working with Oregon Zoo staff, researched infrastructure improvements and reported this information to the Metro Council on April 29, 2008, with recommendations to the Metro Council for specific capital projects and the size of a capital bond; and

WHEREAS, the Metro Council now wishes to accept the capital improvement project recommendations of The Oregon Zoo Foundation (hereafter, the “Project”) and affirm the desirability of providing the long-term financing to fund them; and

WHEREAS, the Metro Council is authorized under the laws of the State of Oregon and the Metro Charter to issue bonds and other obligations payable from ad valorem property taxes upon voter approval, for the purpose of providing long-term financing for Oregon Zoo capital improvement projects; and

WHEREAS, pending the issuance and availability of the proceeds from the sale of such bonds, some expenditures will be made in connection with the Project that have been and will be paid on an advance basis, with the expectation and intent that Metro will be reimbursed for all such advances out of the bond proceeds as and when the same are issued; and

WHEREAS, United States Treasury Regulation 1.150-2 requires issuers of tax-exempt bonds to declare their intention if the issuers intend to use bond proceeds to reimburse expenditures that are initially funded from other sources; now therefore

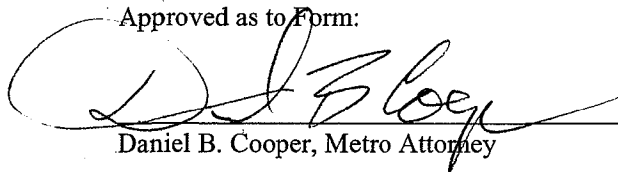
BE IT RESOLVED:

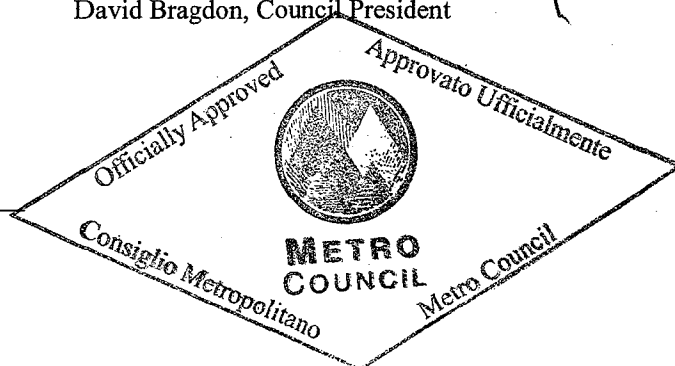
1. That the Metro Council hereby submits to the qualified voters of the Metro Area the question of contracting a General Obligation Bond Indebtedness in the maximum principal amount of \$125 million, to fund a series of capital improvement projects at the Oregon Zoo to protect animal health and safety, conserve and recycle water, and improve access to conservation education as generally described in Exhibit A attached hereto. The bonds shall mature over a period of not more than 21 years; and
2. That the Metro Council hereby certifies the Ballot Title attached as Exhibit B for the placement of the Bond Measure on the ballot for the November 4, 2008 General Election; and
3. That the Metro Council authorizes and directs the Metro Chief Operating Officer to submit this Resolution and the Ballot Title to the Elections Officers for Clackamas, Multnomah and Washington Counties, the Secretary of State, and the Tax Supervising and Conservation Commission in a timely manner as required by law; and
4. That the Metro Council authorizes and directs the Metro Chief Operating Officer to submit the Bond Measure, the Ballot Title, and a Explanatory Statement prepared by the Metro Attorney pursuant to Metro Code Section 9.02.045 to the County Elections Officers for inclusion into the Clackamas, Multnomah and Washington County voters' pamphlets for the November 4, 2008 General Election.

ADOPTED by the Metro Council this 8<sup>th</sup> day of May 2008.

  
David Bragdon, Council President

Approved as to Form:

  
Daniel B. Cooper, Metro Attorney



## **Metro Council Resolution 08-3945**

### **Exhibit A**

#### **2008 ZOO BOND MEASURE**

##### **History**

Over the last two years, the Metro Council, Zoo leadership, the Oregon Zoo Foundation Board, Zoo staff and community leaders have been working together to develop a plan and vision for the future of the Oregon Zoo. Along the way, it has become apparent that the Oregon Zoo is a local community treasure and an educational and economic asset to the region. The Oregon Zoo attracts over 1.4 million visitors annually, employs 152 full-time equivalent regular staff, and 140 full-time equivalent temporary and seasonal staff. Meanwhile, hundreds of Zoo volunteers donate tens of thousands of hours of free time annually in support of Zoo programs. While receiving national awards for its success in protecting threatened and endangered species, the Zoo has also provided generations of adults and families with invaluable hands-on-learning about animals and conservation and rich one-of-a kind recreational experiences. However, during all that time, key parts of the Zoo have aged, become out of date and even worn out. The Zoo was built in 1958 and has a limited 50-acre footprint that is challenged by geography. During the course of planning for the future, it has become more and more evident that portions of the Zoo need updating, mending, and replacing. In order to preserve the Zoo's legacy of quality, and to continue to deliver the kind of experience that the public deserves and expects, investments must be made promptly in some key areas of need.

##### **Purpose and Intent**

On March 3, 2008, after two years of study, the collaborative effort of all the participants led the Oregon Zoo Foundation Board to recommend a request to the Metro Council to refer a Zoo bond measure to the voters. The bond measure is primarily intended to raise money to pay for Zoo capital improvement projects that will: provide more humane care for Zoo animals, protect animal health and safety, increase access to conservation education, conserve water and harvest storm water for reuse, and improve water quality.

##### **Community Involvement**

Metro recognized the importance of involving outside experts, federal state and private partners, science and zoological partners in planning for and establishing the Zoo's needed capital investments. The bond measure referral represents the culmination of nearly two years of planning, with significant input provided by community members. The Zoo Future Vision Committee included several Oregon Zoo Foundation board members, as well as several independent citizens. As part of the process, the Committee interviewed community stakeholders, ranging from neighboring non-profit organizations (Oregon Children's Museum, Hoyt Arboretum) to the City of Portland Parks Commissioner. After the Future Vision Committee provided its report out to the Metro Council, the Oregon Zoo Bond Committee then vetted the recommendations from the Master Plan and ultimately put forth a package of recommendations which form the basis for the referral.

## **Projects**

To the extent feasible, all of the projects detailed below will be designed and built using the appropriate sustainable building practices.

### **1. MORE HUMANE CONDITIONS FOR ELEPHANTS:**

Providing more indoor and outdoor space.

#### **Need:**

There are growing concerns from zookeepers and the public about the Zoo's indoor and outdoor elephant facilities and spaces. The zoo's elephant barn, built to house elephants in 1959, is small and filled to capacity. The indoor on-exhibit and off-exhibit spaces are limited -- providing little space for the elephants to walk or exercise. Depending on weather conditions, elephants can spend long hours in the inside spaces. The outdoor elephant space is un-natural and restricts the range of activities for elephants, particularly the opportunity to move about and explore. The current elephant spaces restrict exercise options and provide limited outside access.

Although zookeepers provide daily doses of exercise and stimulation, elephants have complex needs that include frequent activity and the stimulation of exploring and interacting with their environment. For all the quality care provided by zookeepers, the fact remains that the elephants' space is limited. Lack of space, lack of exercise and lack of stimulation, may contribute to health problems like arthritis and foot problems.

The zoo is home to six elephants living on about 1.5 acres. Many zoos with a comparable number of elephants are improving and expanding their elephant space and facilities. Expanded spaces and upgraded facilities will improve elephant health and welfare by providing more options for extending outside access, increasing exercise opportunities, and offering a more natural and stimulating environment for elephants.

#### **Description:**

This project will provide better conditions for elephants short-term and long-term. Space for elephants will increase from 1.5 acres to 6 acres. The space will be naturalized to include watering holes, shade structures, large trees and boulders, with a thicket of bamboo as a backdrop. The zoo is exploring the feasibility of providing an off-site area for elephants. Funds are set aside for potential capital needs of off-site space. The 49 year old elephant barn will be replaced with a larger building featuring two communal rooms, several other rooms and upgraded conditions for elephants.

If the Oregon Zoo is to continue to be a national leader in Asian elephant protection and conservation education, it must provide more space and better conditions for elephants. More space and better facilities will provide more humane conditions for the elephants.

## **2. PROTECTING ANIMAL HEALTH AND SAFETY:**

Replacing the zoo's 45 year old animal hospital and quarantine facilities.

### **Need:**

The zoo's veterinarians are top-notch, but they are working in outdated, substandard facilities which failed to meet the standards of the Association of Zoos and Aquariums.

The AZA has deemed the zoo's animal quarantine facility substandard. Built forty-five years ago, it has inadequate lighting, heating, ventilation and drainage. It has been noted for its rusty and crumbling walls and doors. Some surfaces are difficult to sanitize because of degradation and may provide foreign objects subject to ingestion by animals. It has a floor that can damage the hooves of some animals.

The veterinary facility is deficient. Current clinical spaces are very small and cramped. They have poor lighting and drainage, and lack controls for minimizing disease transmission. Moving large animals in and out is difficult. It has been retrofitted several times to accommodate more modern equipment, but has reached a point where more retrofitting is not feasible.

Failure to bring these facilities up to standard could jeopardize the zoo's national accreditation and seriously affect both the zoo's reputation in the community and its ability to participate in critical breeding and species conservation programs. These conditions create a poor environment for maintaining and providing animal healthcare and safety.

### **Description:**

Improvements will occur in animal holding. Specific holdings will be designed to accommodate aquatic birds and mammals, primates and large carnivores, hoof stock as large as zebra and large antelope. Climate controlled spaces will meet the needs of reptiles and sick birds. Enclosure substrates will be improved to increase safety and comfort for animals and will include heated flooring and in some cases, rubberized flooring.

Hospital enclosures will be designed for ease of cleaning and disinfection as well as reducing stress for hospitalized and quarantined animals, improving options for environmental enrichment as well as providing safe and efficient means to handle animals for medical treatments. The air from the animal holding areas will be isolated from other areas so we can safely quarantine and hold sick animals while reducing the risk of transmitting diseases to other animals and hospital personnel.

The facilities will provide an efficient floor plan for medical treatments, surgeries and other procedures and provide safe space for confining or holding animals, controlling communicable diseases.

Animal health and safety will be improved by replacing the zoo's aging and substandard veterinary and animal quarantine buildings with facilities that meet standards set by the Association of Zoos and Aquariums.

### **3. PROTECTING THE HEALTH OF POLAR BEARS:**

Replacing concrete with pools, more space and more humane conditions.

#### **Need:**

The current exhibit is almost entirely concrete and the expanses of concrete generate a very high heat load in the summer. Last summer surface heat readings were confirmed at over 100 degrees. This exhibit is basically the same footprint of the original facilities from 1959. Although renovated in 1980, the entire exhibit needs improvements to provide more humane conditions for polar bears. Renovations over the years have completely enclosed the bears, creating visual barriers and preventing any 'long views' for the animals. The current space, both land and pools, do not meet the Manitoba Protocols established for zoo polar bears.

Zookeepers have done a good job of providing enrichment for the bears, but stereotypy (a pattern of persistent, fixed and repeated meaningless movements, e.g. pacing) has been observed with these bears.

Current behind-the-scenes areas make routine animal-management activities, such as separations, training, introductions, and long-term denning, challenging for zookeepers and the animals. It is difficult to provide medical procedures on-site due to cramped conditions and poor lighting. All of the polar bear holding areas need increased ventilation and improved lighting to protect polar bear health and safety.

#### **Description:**

As the world's largest land predators, polar bears need space, and the proposed rebuild will offer them not only more room, but also a safer and more natural habitat to explore. Natural substrate, interesting views, scratching logs, and enrichment infrastructure can reduce the incidents of stereotypy according to a multi-zoo study. Adding complexity to the pools, such as islands, could encourage natural behaviors.

The remodel is needed to increase access to natural substrate; renovate and increase the efficiency of the water-filtration system; reduce temperatures; chill the pool water; and increase both land and pool space. Remodeled holding areas would have better lighting and ventilation, allowing better care for the animals. Space requirements, water quality, and housing conditions will meet or exceed the Manitoba Protocols established for zoo polar bears.

#### **4. MORE HUMANE ENCLOSURES FOR APES & MONKEYS:**

Replace plain and sterile areas with trees, rocks, and water.

##### **Need:**

Of all the animals at the zoo, primates are the most intelligent and the most in need of large complex spaces. Presently, the zoo's primates reside in small and out-dated facilities that were built when the zoo opened on its current site in 1959. The building has undergone cosmetic improvements over the years, but it is time to improve conditions for chimpanzees, mandrills and other monkeys and rework the aging structure. The primate's current space is plain, sterile and cage-like with no running water, no forest canopy and no interactions with species they would live with in the wild.

Behind-the-scenes primate spaces are small and mechanically failing. The holding areas are too small for the animals. These spaces also lack adequate ventilation and air circulation. The plumbing system is challenged and drains are constantly plugged. The holding spaces are insufficient for long-term holding of animals during new animal introductions or following medical exams.

##### **Description:**

The rebuilt exhibit would provide expanded homes for primates and allow for the addition of smaller mammals and birds. Enlarged indoor and outdoor areas would give chimpanzees, mandrills and other monkeys and apes a sustainable and enriching environment.

A chimpanzee's lifespan is no more than 50 years, and the chimps at the zoo are all over 34. The new exhibit will be able to add new, younger chimps to its group. Possibly allowing them to breed. Larger, more natural habitats for the chimpanzees make it possible to support baby chimpanzees.

Zookeepers will be able to separate the animals as necessary in the reworked exhibit without denying them an enriching environment. New holding spaces would allow keepers to address the monkeys and apes needs on a daily basis, provide better health care and generally improve conditions for the animals.

## **5. IMPROVING CONSERVATION EDUCATION**

Add dedicated space for conservation education

### **Need:**

Every day at the Oregon Zoo, kids and adults can take advantage of presentations about rare and threatened species. They touch and interact with animals, learn through play how animals live in their natural environments and watch science in action. These activities are fun, educational and provide memories for generations. The zoo provides hands on learning, group presentations and summer camp to over 100,000 kids and adults a year.

These programs are filled to capacity every year, even though they are provided in limited and inadequate space -- two 12 year old modular trailers, a former storage space, a basement and leased off-site space are used for group presentations. Camps get bumped all summer for competing uses and the basement space is shared with catering. The quality of the programs exceeds the limitations of the space.

### **Description:**

Dedicated space for programming in a new Conservation Discovery Zone would increase both the quality and quantity of conservation education opportunities at the zoo. It would provide spaces for classes, camps, exhibits, presentations and hands-on learning for children, families and adults. There would be space for traveling and temporary exhibits. An Insect Zoo and Butterfly Lab would provide hands-on learning. Access to facilitate safe arrival and departure of groups and camp kids, as well as bathrooms, also would be included in the project.



## **6. UPGRADING ZOO FACILITIES TO SAVE WATER AND ENERGY:**

Updating and installing energy and water saving measures, increase recycling and improve water quality.

### **Need:**

Most of the zoo's infrastructure dates back to the 1950s and '60s. Pipes, plumbing and irrigation systems are outdated, leaking and well past their useful lives. Although the zoo has successfully implemented water conservation programs they have been small, scattered and limited in their success because of the aging system. The most expensive utility cost at the zoo is water, and leaking pipes, run-off, inadequate filtration systems, and lack of water storage all contribute to wasting water and increasing costs. The 55-acre zoo is serviced by a 1950's water system that currently discharges storm water into the sanitary system. This not only wastes water and increases costs, but also contributes to downstream water degradation.

To maintain and improve water quality, and as a measure of sustainable operations, the City of Portland requires that any new development must separate storm water from the sanitary sewer systems. Complying will require a substantial separation installation of new pipelines that connect to the City of Portland's recently installed "Big Pipe" along Highway 26.

Today, traditional energy sources are used for cooling buildings, heating water, and providing power at the zoo. New technologies for on-site energy generation could reduce energy consumption and the zoo's carbon footprint.

### **Description:**

#### Storm Water & Waste Water

Literally millions of gallons of water per year and thousands of dollars would be saved through a major rebuilding of the zoo's water distribution system. Central plant piping systems would be installed. Leaking pipes would be replaced and drainage systems would be re-plumbed. On-site wastewater-management and water-storage tanks would allow re-use of water and harvesting of nutrients from wastewater through a biologically and technically diverse system. City requirements for separation of storm water would be met, allowing for the permitting of other zoo projects. The new system should be serviceable for the next 50 years.

#### Energy

A combination of solar panels, microturbines and absorption processes will generate energy on-site. A central plant approach would serve building operations. Buildings will be designed to capture solar warmth, natural light and natural ventilation. Trees will cool buildings in summer. The goal will be to produce substantial energy on-site.

## **7. VIEWING THE THREATENED CONDOR:**

Providing space to fly.

### **Need:**

The condor, a Pacific Northwest native bird, is an endangered species and was last sighted in Oregon more than 100 years ago. Known as Thunderbird by many Northwest tribes, condors can weigh up to 31 pounds with wingspans of nearly 10 feet.

In 2003, the zoo began a breeding program to preserve the rare bird at an off-site facility, one of only four breeding facilities in the country. The program has been successful, and several Oregon-bred condor chicks have been reared and released into the wild. Some birds however fail to thrive in the wild and could be shared with the public.

Because of the zoo's its success in breeding condors, the US Fish and Wildlife Service has asked for its assistance in broadening national awareness and understanding of these birds and their needs for survival.

### **Description:**

The public has been able to read about and see photos of condors from the zoo's breeding facility, but a new exhibit at the zoo would allow them to see the birds themselves. After successfully breeding and releasing endangered condors, the zoo can now share these rare birds (those birds that cannot be released in the wild) with the public. This project would create a new exhibit with room for the birds to fly.

The zoo is a national leader in broadening awareness and understanding of condors and their survival needs. This exhibit will provide the public with a rare opportunity to see the threatened Northwest native bird and contribute to increasing the awareness of the needs to protect this endangered species.

## **8. MORE EFFICIENT AND BETTER HABITAT FOR HIPPOS:**

Saving millions of gallons of water with upgrades and improving hippo habitat.

### **Need:**

The zoo dumps and refills its 36,000-gallon hippo exhibit pool and two holding pools on nearly a daily basis. Because hippos defecate in water, zookeepers must drain, clean and disinfect the pools regularly to protect the animals from harmful bacteria. Each year this uses nearly 6 million gallons of water. In addition to water inefficiencies, the current exhibit provides the hippos with minimal access to natural substrate and is too small to create a natural habitat that allows interactions with other species.

### **Description:**

A modern water filtration system would be installed, cutting water usage by 80 percent and saving 4.8 million of gallons of water while ensuring the hippos' health and welfare. Filtered water will be recycled and prepared for another use on the zoo grounds. Waste materials filtered from the water would be repurposed and used as compost. Adding passive heating will heat the hippo pools. A new exhibit design would increase natural substrate spaces for hippos as well as adding additional compatible African species. The remodeled hippo exhibit would be more efficient and provide better conditions for the hippos.

## **9. SAVING WATER & COSTS AT THE PENGUIN EXHIBIT**

Installing a modern filtration system.

### **Need:**

The Oregon Zoo's penguinarium, built in 1959, is outdated and in need of a remodel to take advantage of energy-efficient, water-conserving technology. Because penguins have oily feathers, a constant source of running water is needed to keep the exhibit pool water clean, reduce surface scum, and protect penguins from harmful bacteria. This system uses 25,000 gallons of water every day, seven days a week. And because penguins defecate in the exhibit pool, the entire pool needs to be dumped every other week. Nine million gallons of water are used in the penguin exhibit annually. The original design of the penguinarium has limited the zoo's ability to install new water conservation and filtration technology.

### **Description:**

Installing a modern filtration system that filters and recycles water for the 25,000-gallon penguin pool would reduce water usage by 80 percent, saving more than 7 million gallons of water per year.

### **Bond Project Costs and Bond Funding**

The capital facility needs that are to be funded under the proposed bond measure are estimated to cost \$125 million. This figure is based on conservative individual project cost estimates, as well as financing analyses that include project cost inflation and unspent bond earnings assumptions. Funds remaining in excess of actual total combined project costs, if any, will be spent on further capital facility needs identified in the Oregon Zoo master plan and recommended by the citizens oversight committee, set forth below.

Allowed expenditures from the bond issue include capital improvement project costs, bond issuing costs, and reimbursable bond preparation expenses relating to preliminary planning, design and cost estimates. Bonds will be issued in multiple tranches. The maturity date of each bond issue will be determined such that the overall cost to taxpayers will be less than nine cents per \$1,000 of assessed value per year, but in no event will the bonds mature more than 21 years from their issue date. The estimated property tax to Metro area home owners is \$1.38 per month, or \$16.56 annually.

### **Public Accountability Plan**

A citizen's oversight committee will be appointed by the Metro Council and convened periodically to review progress on the project improvements and monitor spending. The committee will also consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates. An independent public accounting firm will perform an annual financial audit of bond spending. The results of the annual audit will be published in the local newspaper of record.

**Exhibit B  
Ballot Title**

“Caption: Bonds to protect animal health and safety; conserve, recycle water.”

“Question: Shall Zoo protect animal health and safety; conserve, recycle water; issue \$125 million in general obligation bonds; require independent audits? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.”

“Summary: Measure will:

- **Provide more humane care for animals:** update four outdated and undersized enclosures with larger, more natural and safer spaces.
- Protect animal health and safety: modernize Zoo’s substandard 45 year old animal clinic determined deficient by the American Zoo Association.
- **Increase access to conservation education:** provide more space for summer camps, classes and hands-on learning for kids, adults, and families.
- **Improve water quality:** replace the Zoo’s 1950’s sewer system, reducing pollution by separating sewage from storm water, harvesting runoff for reuse.
- **Conserve, reuse water:** install water recycling filtration systems; replace leaking, worn-out plumbing, irrigation systems, saving 11,000,000 gallons of water annually.

Improvements will meet sustainability standards.

**Accountability requirements include:**

- **Internal audits**
- **Annual independent financial audit published in newspaper**
- **Citizens’ oversight committee to monitor spending and recommend project modifications if needed**

Bond cost estimate less than 9 cents per \$1,000 assessed value per year. The average home owner in the region pays \$1.40 a month. Bonds mature in 21 years or less.”

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## **STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 08-3945, FOR THE PURPOSE OF SUBMITTING TO THE METRO AREA VOTERS A GENERAL OBLIGATION BOND INDEBTEDNESS IN THE AMOUNT OF \$125 MILLION TO FUND OREGON ZOO CAPITAL PROJECTS TO PROTECT ANIMAL HEALTH AND SAFETY, CONSERVE AND RECYCLE WATER, AND IMPROVE ACCESS TO CONSERVATION EDUCATION AND SETTING FORTH THE OFFICIAL INTENT OF THE METRO COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT OF THE PROCEEDS OF SAID BONDS UPON ISSUANCE.

Date: April 30, 2008

Prepared by: Craig M. Stroud

## **BACKGROUND**

On April 13, 2006, the Metro Council adopted Resolution 06-3659, "For the Purpose of Establishing the Oregon Zoo Future Vision Committee," which established the Oregon Zoo Future Vision Committee to recommend updates to the Oregon Zoo's master plan, changes to the Oregon Zoo's conservation and environmental education programs, and operating reforms to address the Oregon Zoo's systemic fiscal challenges.

The Oregon Zoo Future Vision Committee returned its reports to the Metro Council on October 4, 2007, with recommendations including updating the Oregon Zoo's master plan and enhancing the Oregon Zoo's infrastructure, and recommending strengthening the Oregon Zoo's leadership role in wildlife conservation and environmental education.

The Metro Council directed The Oregon Zoo Foundation to perform additional research, narrow down options, and put forth infrastructure improvement recommendations for a potential November 2008 ballot measure for a bond to fund capital improvements at the Oregon Zoo.

The Oregon Zoo Foundation, working with Oregon Zoo staff, researched infrastructure improvements and reported this information to the Metro Council on April 29, 2008, with recommendations to the Metro Council for specific capital projects and a \$125 million capital bond.

See Exhibit "A" to Resolution 08-3945 for the description of zoo capital projects funded by the bond measure proceeds.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

There is no known opposition to the bond referral at this time.

### **2. Legal Antecedents**

Metro is authorized under ORS 268.520 and the Metro Charter, Chapter III, Sections 10 and 12, to issue and sell voter-approved general obligation bonds in accord with ORS Chapter 287 and 288, to finance the implementation of Metro's authorized functions.

### **3. Anticipated Effects**

The effect of this resolution will be the referral to voters of a general obligation bond measure in the November 2008 general election.

### **4. Budget Impacts**

The referral of this measure to the voters will require Metro to pay for election expenses. This amount varies based on the number of issues on the ballot, and the number of region-wide items on the ballot. The FY 2008-09 budget includes \$290,000 in contingency for a regional ballot measure.

At the recommendation of the Tax Supervising and Conservation Commission (TSCC), the budget for FY 2008-09 does not anticipate program expenditures related to a November 2008 general obligation bond measure. Oregon budget law provides for a full exemption from budget law for the expenditure of voter approved bond proceeds in the year the bonds are approved. The exemption begins the day the bonds are sold. Should the department need interim appropriation authority between voter authorization and sale of the bonds, or should additional staff be needed to implement the bond funded projects, the Council has the legal authority to establish appropriation or authorize new FTE through budget ordinance after passage of the measure. Staff will work with Council on the development of the bond program following the November election. If the bond measure is successful, certain related expenses, such as design and engineering, may be reimbursed from bond proceeds.

### **RECOMMENDED ACTION**

Staff recommends adoption of Resolution No. 08-3945.