



Agenda

COUNCIL MEETING

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: October 10, 1985

Day: Thursday

Time: 5:30 p.m.

Place: Council Chamber

REVISED

<u>Approx. Time *</u>		<u>Presented By</u>
5:30	CALL TO ORDER ROLL CALL	
	1. Introductions	
	2. Councilor Communications	
	3. Executive Officer Communications	
	4. Written Communications to Council on Non-Agenda Items	
	5. Citizen Communications to Council on Non-Agenda Items	
6:00	6. Approval of Minutes of the Meetings of September 5 and 12, 1985	
6:05	7. Consideration of Order No. 85-4, Declaring Certain Property Surplus and Authorizing the Execution of a Sublease (Approval Requested)	Munro
6:15	8. Status Report on Zoo Capital Projects (No Action Requested)	Leo/Rich
6:45	9. Status Report on Tax Advisory Group Meetings (No Action Requested)	Carlson
7:00	10. COMMITTEE REPORTS	
7:05	11. Report on Zoo Director's Trip to China and Negotiations for Animal Exchanges **	Leo
7:20	ADJOURN	

* All times listed on this agenda are approximate. Items may not be considered in the exact order listed.

** This item has been added to the agenda.



Executive Officer Report

RICK GUSTAFSON, Executive Officer
METROPOLITAN SERVICE DISTRICT 527 SW Hall St., Portland, OR 97201-5287 503 221-1646

OCTOBER 10, 1985

BUILDING UPDATE

Subleases - Eves/Smith, attorneys, moved in on September 14. Thomas/Klein moved into their offices on October 7. Negotiations are in the final stages with Babicky & Zielinski, CPA firm, for 4,475 sq. ft. on the fourth floor.

Building Improvements - Demolition is almost completed with duct cleaning next; followed by rough electrical and mechanical work.

Signs - Exterior sign contract (RFP) has gone out for bids. Interior sign plan is designed.

The Move - The office move will take place December 12 and 13. An office-wide cleanup day will proceed the move on November 15.

CRIMINAL JUSTICE BLOCK GRANT FUNDS

Notification from the State Department of Justice of metro-area projects to be included in Oregon's request for funding under the Federal Justice Assistance Act was received last month. Of the \$724,000 available state-wide, \$615,400 went directly to local agencies. Twenty-six projects totaling \$327,149 (or 53 percent of the funds going to local governments) has been recommended for this region. The funding request is now awaiting approval by the U.S. Department of Justice. A decision is expected mid-October.

REGIONAL COMMITTEE ON CONVENTION, TRADE, AND SPECTATOR FACILITIES (CTS)

The CTS full Committee meeting on September 10 resulted in a consensus that the Committee pursue a master plan consisting of convention, stadium, arena and agri-business facilities to meet 20-year public assembly facility requirements for the tri-county region. The next full Committee meeting will be October 17. Committee members will make a presentation on November 18 to the State Economic Development Commission, seeking approval of their request for funding to produce detailed technical studies.

URBAN GROWTH BOUNDARY

Acknowledgment Remand: On September 12, LCDC approved a Continuance Order for the Metro UGB, requesting that Metro submit new findings by December 1. The new findings will be presented to the Council for adoption on November 14.

OREGON ROAD FINANCE STUDY

The Oregon Transportation Commission, Association of Oregon Counties, and League of Oregon Cities have kicked off their Oregon Road Finance Study. This Study will include: determination of existing and future needs for the modernization, preservation and maintenance of Oregon public highway, road and street system; analysis of existing revenue sources and additional funding alternatives; and preparation of a financial package that will provide for long-term funding of improvements and maintenance to Oregon's state and local road system. It is the intent of the Study that the financial package will serve as a vehicle that the 1987 Legislature can utilize to fund state and local road programs through the year 2005. Our staff will be participating in defining metro area road needs, both existing and future, and evaluating revenue alternatives to address those needs.

DATA SERVICES

Technical assistance was provided to the following local jurisdictions: Clackamas County Transportation and Development, City of Portland Planning Department and Department of Transportation Planning, city of Hillsboro, city of Gresham, and city of Troutdale.

ST. JOHNS LANDFILL

At 12:01 a.m. on October 1 Browning-Ferris Industries of Oregon assumed operation of the St. Johns Landfill as the contract with Genstar Waste Transfer Inc. expired. Mobilization of equipment/personnel was completed on schedule, operations continued without interruption.

On October 2 a contract with Chappell Transportation Inc. began for the cleaning of contaminated yard debris at St. Johns. The contract involves a brush loader to move stockpiled material to a cleaning area where laborers remove the contaminants and recyclables. As of October 4 approximately 16 units of material have been cleaned, and four units removed from the site for processing.

Contract Negotiations with BioGas for the lease rights to the methane at St. Johns continues with final agreement due for completion in October.

CTRC

Solicitation for Bids on improvements to the pit floor of the transfer station has been issued. Bid opening is November 1.

SOLID WASTE MANAGEMENT PLAN

Council Task Force on Waste Reduction is meeting weekly. Don Barney was hired to work with staff and the Task Force on developing Waste Reduction Plan options to take to local governments and key public officials.

EDUCATION/INTERPRETIVE
BUILDING DESIGN

Three architectural firms will be interviewed on October 10 for the design of the Zoo Education/Interpretive Center.

ATTENDANCE DOWN IN
SEPTEMBER

Attendance for September of 1985 was down by 11,307 from September of last year. This is due to the overcast and rainy weather we experienced in the first half of the month, particularly on the weekends.

BEAR GROTTO AND AFRICA
BUSH PROJECTS

We are pleased with the continuing progress being made on construction of the Bear Grottos and the design of Africa Bush.

CHINA CONNECTION

Zoo Director Gene Leo, and General Curator Steve McCusker, returned from China with very favorable results in their negotiations with the Ministry of Urban and Rural Construction, and the Chinese Zoological Association. Friendship and cooperation between the four Chinese zoos and Metro's Washington Park Zoo was fostered through these negotiations.

ELEPHANT MUSEUM

Fred Meyer Trust has awarded a \$100,000 grant to partially fund construction of the Elephant Museum. These funds coupled with the funds donated by the Holden Family Foundation and the Friends of the Washington Park Zoo provide the total necessary funds to complete the building.

ALASKA TUNDRA LITIGATION

On September 27 Judge Herrell set November 13 as the date for hearings on motions against the complaint by the bond company and against the architect, and February 18 as the trial date for a three-week trial on the merits. There may be a separate hearing on the bond coverage in January.

Lucky Corner Service Station, a subcontractor of Krypton (Tundra project) has filed suit for its share of any monies recovered by Krypton from the bond companies and Metro. Last January the court dismissed Krypton's claim

against Metro; therefore, Metro will be filing for dismissal of the claim also.

WORKSHOPS AND MEETINGS

A workshop on making presentations and dealing with hostile audiences was sponsored by Metro's Public Affairs Dept. on September 23. Al Cereghino, a communications consultant, led 30 Metro employees representing all departments through a stimulating and creative all day workshop.

COUNCIL TAX ADVISORY GROUP

Seven TAG meetings have been held to date by Councilors Kafoury, Kirkpatrick, Oleson, Waker and Gardner. The next two TAG meetings are set for October 14 and 17, by Councilors Kirkpatrick and Bonner, respectively. A brief report on the results of these seven meetings will be made at the October 10 Council meeting.

Two successful Friends of the Zoo Task Force meetings were held September 17 and October 3.

Councilor/Legislator TAG - Phillip Fell will help conduct a series of informal meetings between Councilors and Legislators in their districts. Meetings will be held in October.

CONFERENCES

Solid Waste staff members and representatives from recycling/collecting industries; city, state and county representatives; and environmental groups attended the annual meeting of the Association of Oregon Recyclers in Bend, September 27-29. Markets for recyclables, curbside recycling, and the future of plastic recycling were topics emphasized.

Dan Durig, Board member of the National Resource Recovery Association, testified before the Senate Finance Committee in Washington, D.C., September 24 on the impact of the proposed elimination of tax exemptions on resource recovery.

EMPLOYEES ACTIVITIES

NEW HIRES September 1985

F & A
Zoo
Solid Waste

Public Affairs

Randy Boose - appointed Personnel Officer
William Leaptrott - appointed Gardener 1
William Rieley - appointed Gatehouse Attendant
Jackie Miller - appointed temporary Receptionist

KD/srs
4432C/D2-4
10/10/85

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

September 5, 1985
Special Meeting

Councilors Present: Councilors Cooper, DeJardin, Gardner, Kelley,
Myers, Van Bergen and Waker

Councilors Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson
and Bonner

Staff Present: Don Carlson, Dan Durig, Kay Rich, Ray Barker,
Vickie Rocker, Phillip Fell, Dennis Mulvihill,
Doug Drennen, Rich McConaghy, Wayne Rifer and
Debbie Gorham

Deputy Presiding Officer Waker called the special meeting to order
at 5:30 p.m.

1. INTRODUCTIONS

None.

2. COUNCILOR COMMUNICATIONS

Councilor Kelley announced she and Ray Barker would be touring
Cleveland's regional park system later in the month.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

5. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

6. APPROVAL OF MINUTES

Motion: Councilor Myers moved to approved the minutes of
August 6, 1985, and Councilor DeJardin seconded the
motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers,
Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and
Bonner

The motion carried and the minutes were approved.

7. RESOLUTIONS

7.1 Consideration of Resolution No. 85-588, for the Purpose of Approving the Collective Bargaining Agreement Between Metro and Laborers International Union, Local 483

Don Carlson explained the Union had agreed to the proposed two-year agreement which contained 13 changes. The most significant amendments included: 1) a 3 percent cost of living adjustment effective July 1, 1985, with a adjustment for 1986-87 based on Portland CPI-W average increase (the increase would not be less than 3 percent nor more than 4 percent with a reopener clause if the average increase was over 5 percent); 2) \$.05 increase in shift differential; 3) \$5.00 annual increase in shoe allowance; 4) increase in the maximum accumulation of sick leave to 1,630 hours; and 5) to award up to 5 percent of the total possible score to each qualified employee on the basis of seniority in the selection process for propmotion.

There was no discussion of this item.

Motion: Councilor Van Bergen moved to adopt Resolution No. 85-588 and Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the Resolution was adopted.

7.2 Consideration of Resolution No. 85-589, for the Purpose of Amending the Metro Pay Plan for Metro Employees

Mr. Carlson explained this Resolution would amend the Pay Plan to allow for the 3 percent cost of living increase granted to union employees. It would also grant a 3 percent increase to non-union employees.

In response to Councilor Waker's question, Mr. Carlson said Zoo non-union employees were currently earning 2 percent more than other non-union employees. Equity would be achieved in FY 1986-87, he said.

Motion: Councilor DeJardin moved to adopt Resolution No. 85-589 and Councilor Kelley seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the Resolution was adopted.

7.3 Consideration of Resolution No. 85-590, for the Purpose of Amending Resolution No. 85-562 and Revising FY 1985-86 Appropriations (relating to funding the Committee on Regional Convention, Trade, and Spectator Facilities (CTS) and Implementing the Cost of Living Adjustment)

Neil McFarlane explained that as part of the FY 1985-86 budget process, it had been discussed that Metro would contribute \$10,000 to a CTS Pool of Common Resources. Other local governments would also contribute to this fund, as detailed in Attachment "A" of the staff report. Metro, he said, had been designated by the CTS Committee to collect and disburse common resource pool funds. This arrangement was not included in the original budget pending agreement to establish this cash pool by other participating jurisdictions. These agreement were currently being negotiated. Mr. McFarlane said staff recommended Metro's \$10,000 portion be transferred from General Fund Contingency and that Intergovernmental Resource Center (IRC) appropriations be amended to show a \$10,000 increase in General Fund Transfer and a corresponding reduction in Contract Services.

Jennifer Sims explained the second budget adjustment request would appropriate funds for the 3 percent cost of living increase granted to all employees by adoption of Resolution No. 85-589. Funds would be transferred from various department contingencies to Personal Services line items. The total impact for FY 1985-86 would be \$178,000, she said.

Motion: Councilor DeJardin moved to adopt Resolution No. 85-590 and Councilor Kelley seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kelley, Myers, Van Bergen and Waker

Absent: Councilors Hansen, Kirkpatrick, Kafoury, Oleson and Bonner

The motion carried and the Resolution was adopted.

8. OTHER BUSINESS

8.1 Consideration of 1986 Solid Waste Rate Policies

Doug Drennen reported that at the August 22, 1985, Council meeting, staff had distributed rate policies and issues for Council review. Since that meeting, staff drafted an ordinance to amend solid waste disposal rates effective January 1, 1986, based on staff's recommendations. The first reading of the ordinance would occur September 12, 1985. Mr. Drennen said the purpose of this meeting was for staff to answer Councilors' questions about rate policies and to entertain changes to the proposed ordinance.

Councilor Myers asked staff to explain how disposal rates related to the overall Solid Waste Reduction Plan, especially regarding work schedules. Mr. Drennen responded the rate study was conducted annually as a review of Solid Waste revenue and expenses. Program alternatives were discussed during the budget process. New programs proposed as part of the Waste Reduction Plan could be reflected in the new budget, he said.

Rich McConaghy, in response to Presiding Officer Bonner's request of August 22, distributed information comparing Metro's disposal rates with those changed at other facilities. He cautioned that all factors were not equal and in some cases, oranges were being compared with apples.

Mr. McConaghy then introduced Mr. George Hubel, chairman of the Solid Waste Rate Review Committee, to present the Committee's preliminary recommendation of staff's proposed changes to the solid waste disposal rates. A written recommendation would be distributed at the September 12 Council meeting, he explained.

Mr. Hubel explained the Committee met September 3 and found staff's rate study and recommendations to be accurate, complete and fairly representative of the financial nature of the disposal system. The Committee, however, was concerned about the dramatic increase of the Solid Waste Fund Balance and questioned why, under those circumstances, a rate increase was being recommended. He said staff's response to this concern was they anticipated the cost of operating St. Johns Landfill and Clackamas Transfer & Recycling Center (CTRC) would increase. Also, the opening of Washington Transfer & Recycling Center (WTRC) would substantially increase expenses. Staff

advocated a two-year, gradual rate increase and corresponding gradual decrease of the Fund Balance, he reported. Again, Mr. Hubel explained the Committee would present more detailed, written recommendations to the Council on September 12.

In response to Councilor Myers question, Mr. Hubel said the Committee discussed the size of a prudent Fund Balance but was unable to determine an appropriate amount. The Balance had historically been about 7 percent of the Solid Waste operating budget. He said the Committee could find no reason staff's rate recommendation should not be adopted, however, but that some formal policy on the size of the fund balance should be established. Mr. Drennen added staff had contracted with a financial consultant who was examining the fund balance issue along with Metro's public bonding capabilities. He also explained the large fund balance was due to unexpected use of St. Johns Landfill by haulers from outside the region.

Councilor Gardner asked if the Rate Review Committee made recommendations regarding using rate setting to effect the flow of solid waste. Mr. Hubel responded the Committee thought using rates was the most effective way to direct flow. The alternative would be to establish policies designed at diverting waste and such policies would be difficult to develop and equitably administer, he said.

Jack Deines, 15232 S.W. East Avenue, Milwaukie, Oregon, testified that rate setting was not the best way to divert the flow of waste. He advocated offering economic incentives to haulers. He explained that if CTRC disposal rates were increased, haulers would simply pass the increase to customers. He also suggested the Council request profit and loss statements for each Metro disposal operation in order to determine if rate increases were necessary.

Dan Durig explained that detailed financial information on CTRC and St. Johns Landfill operations was available to the Council for examination in the form of the annual audit, monthly financial reports and the annual budget.

Councilor Cooper asked if staff had examined the issue of whether haulers from other jurisdictions could be restricted from disposing waste at Metro facilities. Mr. Durig said legal counsel was currently developing an opinion on this matter. Issues examined would include whether Metro could impose a surcharge to outside haulers or restrict hours to manage traffic flow.

Councilor Gardner asked if, assuming the landfill siting process defined in Senate Bill 662 were successful, diversion of waste from St. Johns would remain an important issue. Mr. Durig explained the diversion issue would still be important because St. Johns was

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scheduled to close in two years. A new landfill would be sited in two years but would not be operational for perhaps another four years, he said.

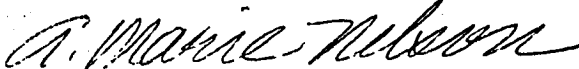
In summary, Mr. Drennen explained the current Fund Balance would support landfill siting and landfill enhancement programs until the first of the year. Approximately \$500,000 would be expended for these purposes, he said. Mr. Durig also emphasized Metro was maturing as an organization and was examining long-term financial issues such as the liability exposure of major solid waste facilities. As a major regional utility, he said Metro would be incurring significant financial responsibilities in the next five to ten years and it must be determined how these operations would be financed. Mr. Durig said these issues would be addressed in the Finance chapter of the Solid Waste Management Plan.

Wayne Rifer distributed draft copies of the Waste Reduction and Recycling chapter of the Solid Waste Management Plan. He explained the Council Solid Waste Reduction Task Force would be meeting the following week to review and document and would make specific recommendations to the Council.

Mr. Durig reported the Council would meet on September 12 to designate possible sites for the WTRC. He explained staff had received a letter from U.S. Plywood requesting Metro withdraw Site N from consideration because the property would very likely be developed by U.S. Plywood for other purposes. Mr. Durig recommended the site not be excluded from further consideration until the September 12 meeting due to the potential for change in developments with U.S. Plywood. Mr. Durig also reported the city of Hillsboro had withdrawn its endorsement of Site 59.

There being no further business, Deputy Presiding Officer Waker adjourned the special meeting at 6:50 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

amn
4313C/313-2
09/19/85

MEETING OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

September 12, 1985

Highland Park Intermediate School
Beaverton, Oregon

Councilors Present: Councilors DeJardin, Gardner, Hansen,
Kirkpatrick, Kelley, Oleson, Van Bergen and
Waker

Councilors Absent: Councilors Cooper, Kafoury, Myers and Bonner

Also Present Rick Gustafson, Executive Officer

Staff Present: Don Carlson, Eleanore Baxendale, Dan Durig,
Vickie Rocker, Ray Barker, Doug Drennen, Randi
Wexler, Dennis Mulvihill, Buff Winn, Norm
Wietting, Peg Henwood, Marilyn Matteson, Rich
McConaghy, Mary Jane Aman and Patrick Minor

Deputy Presiding Officer Waker called the meeting to order at
6:05 p.m.

1. INTRODUCTIONS

None.

2. COUNCILOR COMMUNICATIONS

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

Executive Officer Gustafson referred the Council to the Executive Officer's monthly report distributed to each Councilor. Regarding the Criminal Justice Block Grant Fund, he explained the Department of Justice requested Intergovernmental Resource Center (IRC) staff coordinate the distribution of federal grants. The Executive Officer commended staff in responding to the request and coordinating the application process with local jurisdictions within a limited time frame.

The Regional Committee on Convention, Trade and Spectator Facilities (CTS) met on September 10. The CTS endorsed study committee findings which recommended proceeding with the center and considering a comprehensive plan for major public facilities. The Executive Officer reported the CTS was very complementary about IRC's coordinating role in the project.

4. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

5. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

6. ORDINANCES

6.1 Consideration of Ordinance No. 85-191, Relating to Solid Waste Disposal Charges and User Fees; Amending Metro Code Sections 5.02.015, 5.02.020, 5.02.025, 5.02.045 and 5.02.050; and Establishing Metro Code Section 5.02.065 for Collection of a Special Waste Surcharge and Permit Application Fee (Second Reading and Public Hearing)

The Clerk read the Ordinance by title only.

Rich McConaghy reported the proposed Ordinance implemented staff's recommendations as explained in the staff report. The Ordinance, he said, was reviewed by the Solid Waste Policy Advisory Committee (SWPAC). SWPAC recommended the second reading of the Ordinance be delayed in order to obtain additional information about proposed rate changes. Staff had originally planned a second reading for September 26, he explained, which would have allowed for the obligatory 65 days notice before the Ordinance became effective on January 1, 1986. If the second reading were delayed to October or November, it would have to be adopted under emergency provisions to allow for a shorter notification period. He recommended the second reading occur late in November to allow ample time for comment.

Mr. McConaghy then reviewed a memo from the Rate Review Committee (RRC) to the Executive Officer, dated September 11, 1985, which outlined the RRC's recommendations on the 1986 Rate Study as follows: 1) The rate study be accepted as reasonably complete and accurate; 2) rate calculations be made on the basis of those waste quantities which were expected to be produced from within the Metro region; 3) it was appropriate to use rates as a waste diversion strategy; 4) special waste fees be established so that disposers of these wastes pay the allocated costs; 5) prudent amount of the fund balance be allocated toward smoothing rate increases over time and staff's recommendation to expend \$500,000 to reduce rate increases in 1986 was reasonable; and 6) prefinancing of significant future capital improvements through the accumulation of funds should not be planned for in the establishment of rates. The RRC also suggested staff provide a comparison of past projections with actual recent expenditures for disposal and transfer operations and for user fee programs. Finally, the RRC reported that although the allocation of user fees appeared appropriate, no close review had been made of user fee program costs. This review was usually conducted during the budget process.

Shirley Coffin presented the Solid Waste Policy Advisory Committee's (SWPAC) recommendations regarding proposed rate changes. Although SWPAC made no formal recommendation at their September 9 meeting, the Committee agreed they recommend the Council delay adopting the rate changes until several policy issues could be resolved, possibly with the assistance of a SWPAC subcommittee. These concerns included: 1) before establishing rates on the assumption that waste generated from outside the region would not be received, an analysis of the potential and commitment for taking action to exclude these wastes be made; 2) fee exemptions be allowed for small quantities of special wastes generated within households; 3) a policy be established regarding the appropriate amount and disposition of the Fund Balance; 4) an analysis be conducted to determine whether funds set aside for St. Johns Landfill final improvements and post-closure were adequate and the analysis be conducted in conjunction with development of the landfill closure plan; 5) the rate structure include provisions for reducing the amount of waste landfilled; and 6) the 6.6 percent inflation assumption be reconsidered.

Mr. McConaghy referred Councilors to a letter from City of Portland Commissioner Dick Bogle. Commissioner Bogle concurred with staff's recommendation but requested the Council postpone further consideration of Ordinance No. 85-191 until policy issues affecting the management of St. Johns Landfill could be addressed. Commissioner Bogle offered the City's assistance in this effort.

After some discussion regarding SWPAC's concerns, the Council concurred that time was needed to address the above issues and that a second reading of the proposed Ordinance should occur sometime in November, 1985.

Motion: Councilor Kirkpatrick moved to adopt Ordinance No. 85-191 and to instruct staff to prepare an amendment to the Ordinance to include a declaration of emergency conditions. Councilor Kelley seconded the motion.

Deputy Presiding Officer Waker opened the public hearing on the Ordinance. There being no public testimony, the public hearing was closed. The Deputy Presiding Officer announced a second reading of the Ordinance would occur sometime in November.

At 6:35 p.m., Deputy Presiding Officer Waker called a recess. The Council reconvened at 7:05 p.m.

7. RESOLUTIONS

7.1 Consideration of Resolution No. 85-591, for the Purpose of Designating Sites for the Washington Transfer & Recycling Center (WTRC) and Authorizing the Executive Officer to Enter into Negotiations to Acquire the Sites

Deputy Presiding Officer Waker introduced the WTRC Advisory Group to the audience and explained the Group had conducted preliminary work in evaluating many sites for the proposed transfer and recycling center in Washington County. He explained the public had also been involved in that selection process. The three final sites being considered for Council adoption were recommended by the Group, he said.

Motion: Councilor Hansen moved to adopt Resolution No. 85-591 and Councilor DeJardin seconded the motion.

Randi Wexler, Metro staff, introduced members of the WTRC Advisory Group to the Council and audience: Beth Mason, elected spokesperson for the group and member of the Washington County Solid Waste Advisory Committee; Steve Baker, Director of Operations, city of Beaverton; Ross Van Loo, Planning Department, Washington County; Gary LaHaie, Hillsboro resident and business man; Shirley Coffin, member of the Metro Solid Waste Policy Advisory Committee; Tom Miller, sitting in for his father, Carl Miller, representing the solid waste collection industry; Merle Irvine, representing the recycling industry; and Tim Davison, State of Oregon, Department of Environmental Quality, Solid Waste Division.

Ms. Wexler explained Metro's Solid Waste Management Plan, adopted in 1975, called for building a solid waste management system to include three transfer and recycling centers. These centers would serve as collection points in the system to allow for processing and packaging of waste, convenient disposal for the public and the collection industry, and for waste to be trucked to a variety of ultimate disposal sites or alternative technologies. Because of the above functions, successful transfer stations must be sited close to where waste was generated, she said. She further explained that because of specific siting criteria, transfer stations were often sited before ultimate disposal sites were located and operating.

Ms. Wexler outlined the proposed siting process if Resolution No. 85-591 were adopted. The resolution authorized staff to negotiate for specific site locations with landowners. Negotiations would occur for approximately 30 days, land use procedures would be examined and remaining design questions would be addressed. The Council would select a final site in October, she said.

Beth Mason reviewed the WTRC Advisory Group's recommended sites in order of priority: 1) The Champion Wood Products Building, Western and Allen Streets in Beaverton, only if the operating business were vacated; 2) 160th and Tualatin Valley Highway in Beaverton; 3) Cornelius Pass at Highway 26 in Washington County; and 4) the south side only of 160th and Tualatin Valley Highway in Beaverton. Ms. Mason then reviewed the criteria by which the Group rated all possible sites including location from the center of waste generation, transportation access, compatibility, current zoning, and development constraints. She also reviewed public involvement and participation in the process of recommending sites for the WTRC.

Ms. Mason referred the Council to a letter from U.S. Plywood, dated August 27, 1985. She said the letter let the Advisory Group to believe that Champion Wood Products would continue to be an operating business and as such, the Advisory Group recommended that site, located at Western and Allen streets, be withdrawn from consideration at this time. She said when the Group made its previous recommendation, it was not known whether the business would continue to operate at the site.

Motion: Councilor Van Bergen moved to amend Resolution No. 85-591 to delete any reference to Site N, the Champion property at Western Avenue and Allen, in Beaverton, and that the Council designate two sites for further consideration. Councilor Kirkpatrick seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Gardner, Hansen, Kirkpatrick, Kelley, Oleson, Van Bergen and Waker

Absent: Councilors Cooper, Kafoury, Myers and Bonner

The motion carried and the Resolution was amended.

Deputy Presiding Officer Waker opened the public hearing on the Resolution.

William F. Bernard, Standard Plaza, Suite 1105, Portland, residing in Washington County near Garden Home, testified his client, Riviera Motors, was located near Site 59 on Cornelius Pass Road. He objected to the selection criteria requiring the transfer station be located where waste was generated. He said one of the prime goals of the state of Oregon was economic growth and the Sunset Corridor was a prime area for development in the region. Its potential was known nationally and internationally, he explained. Mr. Bernard asserted it was counterproductive to plan a waste station in this gateway for development opportunity.

Deputy Presiding Officer Waker asked Mr. Bernard if he favored the construction of a transfer station. Mr. Bernard said he favored construction but thought it should be located on the perimeter of the waste generation area.

Arthur J. Gemmell, 3055 Orchard Drive, San Jose, California, Sr. Vice President of Fujitsu America, Inc., said he wished to express his company's great concern about the Advisory Group's recommendation to consider a transfer station at Cornelius Pass and Sunset Highway. He explained in 1984, Fujitsu America began a search for suitable headquarters in a location that would represent the company's commitment to quality and excellence. Over \$120 million was invested in siting the headquarters in the Sunset Corridor area, he said, and this commitment would not have been made had Fujitsu known Metro planned to site the transfer station in that area. He did not think the transfer station should be located in an area that had a reputation as a first class science and technology center. He urged the Council to remove the Cornelius pass site from further consideration.

David Sudtell, 7219 S.W. Cedar Lane, Hillsboro, testified he formerly owned a landfill on the west end of Hillsboro. He said this property met all of Metro's siting criteria and offered the land for sale to Metro as a site for WTRC. In response to Councilor Gardner's question, Mr. Sudtell said his site was some distance from Murray Road and Allen Boulevard, the center of waste for the Washington County area.

Douglas J. McCaslin, 4755 S.W. Griffith Drive, Beaverton, representing the Tualatin Valley Economic Development Corporation, read a statement he circulated to the Council. He urged the WTRC site be identified after a new landfill was sited. The WTRC site should not have a negative impact on the area's economic growth, he said.

Keturah A. Brown, 4500 S.W. Hall Boulevard, Beaverton, speaking on behalf of her client, Tri-County Concerned Citizens, circulated copies of a letter to the Council which she read into the record. She said the passage of Senate Bill 662 strengthened the organization's position that Metro should delay siting the WTRC until another regional landfill was sited. She also said she had met with representatives from the Department of Environmental Quality who supported this position. When it was appropriate to site another transfer station, she said, private industry could best handle the job rather than Metro.

Deputy Presiding Officer Waker read into the record a letter from Donald G. Andersen, Mayor of Oregon City. Because 18 percent of the waste entering the Clackamas Transfer & Recycling Center was generated in Washington County, Mayor Andersen urged Metro to proceed as

quickly as possible with siting WTRC in order to alleviate demands on the transfer station in Clackamas County.

John Maddocks, 3601 S.W. Murray Boulevard, Beaverton, representing Floating Point Systems, Inc., testified Floating Point's complaint was with the proposed site Site 56 located on the Tualatin Valley Highway. Transportation access to the site was not suitable, he said, because trucks traveling to the site would have to pass through several blocks of residential area. Creating more traffic in an already congested area seemed inconsiderate, impractical and improper, he said. He was concerned that some residents living in 160th Avenue had not been informed of this meeting. Mr. Maddocks also testified had WTRC already been present in the proposed area, Floating Point Systems would not have located there. The research and development industry would employ far more people than the assembly and distribution type of industry the transfer station would attract, he said, and it was time someone started taking the economic development argument seriously. Finally, Mr. Maddocks testified that as a resident of Northeast Portland, he had for years traveled 18 miles to St. Johns Landfill to dispose of waste. The North Plains area was about 20 miles from the Beaverton area, he said, and residents would probably travel to that location without problems if WTRC were sited there.

Wayne Atteberry, 12285 N.W. Big Fir Court, Portland, President of the Sunset Corridor Association, testified the WTRC Advisory Group did not sufficiently examine economic development issues before making their recommendation. The development potential for the Corridor could not be ignored, he said, and to site WTRC in that area would send disturbing signals to those interested in locating in that area. Mr. Atteberry thought the Advisory Group's criteria of locating a site within 7 miles of the center of waste generation was arbitrary. He also did not think it prudent to site WTRC before the next regional landfill was sited.

Dennis Wilde, 2320 N.W. Quimby, Portland, representing a coalition of businesses in the Sunset Corridor, explained the coalition was formed after the WTRC Advisory Group made its initial recommendation regarding sites for the transfer station. Initial recommendation did not recognize the facility's impact on long-range industrial growth, he said. His association recognized the need for a transfer station in Washington County and attempted to work with the Task Force to develop suitable siting criteria and acceptable locations. Because of the negative impact on economic growth in the Sunset Corridor and because of what Mr. Wilde perceived to be the arbitrary nature of the 7-mile criteria, he urged the Council to consider sites in North Plains and Roseway Industrial Park. Another site on the Tualatin Valley Highway should also be considered, he said.

Robert D. Rankin, 1408 Standard Plaza, Portland, representing Standard Insurance Company, explained his company has committed over \$12 million to develop a 600 acre parcel south of Sunset Highway between Cornelius Pass Road and 185th Avenue. He said Standard was very concerned about the ability of the Cornelius Pass and Sunset Highway interchange to service projected traffic generated by the transfer station. Mr. Rankin said he shared concerns with other businesses and potential developers that the transfer station was not compatible with the type of industry proposed for the area and was concerned that the station would damage future development potential. Job-producing industries must be the priority, he said, and WTRC would not accomplish that goal.

Joe Willis, 1800 PacWest Center, Portland, representing the Archdiocese, owner of Site 56 at Tualatin Valley Highway and Millikan Way, requested that site be removed from consideration. It was the only proposed site that would require a zone change and he thought the Archdiocese and land owners adjacent to the property would oppose that change. Such a change would also increase Metro's acquisition costs, he said. He urged the Council to consider other available and more suitable sites.

Vicki Gerome, 5720 S.W. Spruce, Beaverton, Co-chairman of the Royal Woodland Neighborhood Association, said that although Site N had been removed from consideration by the Council, she wanted to be kept informed of the transfer station selection process. She said Site N would not be finally eliminated until the facility was in operation. She submitted for the record a petition signed by approximately 400 families who wished to be kept informed of Metro's activities regarding this project.

Chuck Ruttan, 851 S.W. 6th Avenue, Suite 1500, Portland, representing Emkay Development Company, explained Emkay was the developer for Beaverton Creek Tech Center, immediately adjacent to Site 56. Emkay requested that site be eliminated from further consideration based on negative traffic and economic impacts to the immediate area. Mr. Ruttan said he supported the testimony of others concerned about locating WTRC in the Sunset Corridor.

Cindy Schmid, 5855 S.W. Elm, Beaverton, board member of the Royal Woodlands Neighborhood Association, testified she was concerned about elements of the transfer station siting process, especially the center of waste generation criteria and traffic congestion. She requested the Council consider sites for which they had willing sellers.

C. K. "Bud" Maguire, 14795 S.W. Kilchis, Beaverton, member of the Beaverton City Council, said the City Council had been asked to make recommendations to the Metro Council regarding WTRC. He reported

the City Council recommended the Champion site not be considered and that Metro should wait until issues raised by the passage of Senate Bill 662 were resolved before siting WTRC. Finally, he requested the Metro Council change the 7-mile criteria and open the process to allow private businesses to operate the transfer facility.

Deputy Presiding Officer Waker explained Metro was committed to having the private sector build and operate WTRC.

James Neuman, 2456 N.W. Charlston Street, Portland, said he was a general partner of a firm that recently acquired property known as the Burlington Railroad/Times-Litho property in the West Union Hills Industrial District. Mr. Neuman showed the Council a chart which illustrated development work underway in the area, particularly road improvements. He was concerned about negative traffic and development impacts if the transfer station were sited in that area. He explained a Korean company interested in his property would not locate there if WTRC were built in that area. Mr. Neuman urged the Council to consider alternate locations.

Richard P. Buono, 7901 S.E. 30th, Portland, representing PacTrust, testified the Cornelius Pass site was a poor choice for the transfer station due to negative development and traffic impacts. The property would also have to be condemned, he said. He expressed many of the same concerns as other business representatives and said this was a case of prime industrial land not being used for the best purpose. Mr. Buono's comments were submitted in writing for the record.

Edward F. Ritter, 20795 N.W. Wahula Court, Portland, said he was very concerned about heavy traffic and the safety of children bussing to school if WTRC were built in the Rock Creek area. He said the site being proposed for the Rock Creek area was inappropriate for the same reasons the one proposed to be built near the future Nike headquarters was deemed inappropriate.

Richard Peters, 163 S.E. Crestview Drive, Hillsboro, distributed a written statement to the Council from Tri-County Concerned Citizens. Mr. Peters raised the same points addressed by the previous testimony of Keturah Brown.

Chris Van Dyke, representing Nike, 3900 S.W. Murray, Beaverton, testified Nike had been exploring the possibility of building a world corporate headquarters in order to consolidate its physical plant. Property was purchased near Murray and Jenkins Road last fall for this purpose, he explained, but plans were put on hold when Nike learned of Metro's proposal to site a transfer station in that area. Mr. Van Dyke explained as a result of Nike's concerns, Metro dropped consideration of siting a transfer station near Murray and

Jenkins Road and proposed sites in the Sunset Corridor area. He said that although he appreciated the difficulty of the siting process, he still took issue with some of the criteria used by the WTRC Advisory Group to recommend sites, particularly that of the 7-mile radius from the central location of waste generation because of potential negative long-range impacts on economic development. In conclusion, he requested the Council reconsider its siting criteria in an effort not to discourage development of a valuable economic resource.

Norm Price, 15098 S.W. Barcelona Way, Beaverton, representing Reser's Fine Foods, supported the statements made by Mr. Van Dyke and the position of the Sunset Corridor Association. He said had the transfer station been sited in the two areas originally proposed, Reser's could have suffered considerably. He said in the minds of Reser's consumers and government inspectors, the image of garbage on the table would have been much worse than the notion of garbage in one's back yard.

Peter Gray, P. O. Box 3066, Portland, representing the Beaverton Area Chamber of Commerce, distributed written testimony to the Council. He stated the Commerce believed that siting WTRC was good public policy and that Metro deserved support in its efforts. However, he said, because of the negative aspects with the sites recommended, Metro should alter its criteria and more closely examine the issues of transportation impacts and land use compatibility.

Rodney Adams, 4500 S.W. Hall Boulevard, Beaverton, representing Eager Beaver Transfer Service, shared the concerns expressed earlier by Keturah Brown and Richard Peters. In addition, he urged the Council to carefully consider the comments made by key business people at this meeting, explaining these people represented the cream of Oregon's economic base.

Lloyd B. Rosenfeld, 4500 S.W. Downs View Court, Portland, President of Sea-Port Industry Group, read a letter he distributed to each Council. He said siting a transfer station at the proposed Cornelius Pass site would not only have serious negative impacts on Sea-Port's development plans, but would have even more serious impacts on the development potential of the Sunset Corridor. He concurred with previous testimony of business leaders and urged the Council to consider more reasonable alternatives.

Deputy Presiding Officer Waker announced Governor Victor Atiyeh had addressed a letter to Metro's Presiding Officer indicating support of Mr. Rosenfeld's position and that of other Sunset Corridor business leaders.

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Scott Schmid, 5855 S.W. Elm, Beaverton, asked if Site N were to be reconsidered at a later time, would another public hearing be required. Deputy Presiding Officer Waker said the Council would schedule another public hearing if that were to occur. Councilor Oleson added that adoption of the resolution now before the Council would not preclude consideration of new sites.

Dick Porn, 4930 N.W. 187th, Portland, Managing Director of Lansing Property Corporation, developer and owner of properties within the Sunset Corridor, and former Director of the Economic Development Department, State of Oregon, testified regarding the same concerns expressed earlier by Mr. Van Dyke of Nike. He stressed the importance of preserving the Sunset Corridor for the best economic development opportunities.

Mrs. G. Tunger, Route 5, Box 300, Hillsboro, explained she was a small land owner who had purchased property 13 years ago for retirement income. She said a transfer station in her neighborhood would diminish her property values and the beauty of the environment.

Maurine Warneking, 12835 N.W. Laidlaw Road, Portland, Chairman of CPO7, testified there was strong opposition to the proposed Cornelius Pass and Sunset Highway site at two recent CPO7 meetings. She said no decision should be made that would be detrimental to the attractiveness and economic development potential of the surrounding area. She urged the Council to consider alternate sites.

Paul H. McGilvra, P. O. Box 7, Forest Grove, President of Times-Litho and the previous owner of Site 59, thought the Roseway Nursery site was the most suitable location for the transfer station. The site was smaller, he said, but it could handle the needs of central Washington County. Another station could be sited in Forest Grove.

John Carroll, 4129 S.W. Greenleaf Court, Portland, representing Prendergast & Associates, said his company had recently purchased 250 acres in the Sunset Corridor for the purpose of developing a quality, high-tech industrial park. He explained that 120 acres of the property was subsequently sold to Fujitsu. Fujitsu was in the process of constructing phase one of their expansion plan which would, over the years, supply thousands of jobs, he said. Mr. Carroll said Fujitsu, in initial purchase negotiation, had expressed concern over environmental quality and the possibility of a solid waste transfer station being sited in the Sunset Corridor would be an awful signal to send to them. He requested the Council explore other sites.

Drew M. Snodgrass, 5734 N.W. Deschutes Drive, Portland, representing a group of Rock Creek homeowners, said the group wished to go on

record as being totally against the selection of the site on Cornelius Pass Road. That site was not suitable because it would contribute to traffic congestion, was too near residential development, and would cause odor problems, he said. He requested the Council only consider sites away from high density commercial and residential development.

There being no further testimony, Deputy Presiding Officer Waker closed the public hearing. He summarized comments received as follows: 1) concern about impact on economic development; 2) a regional landfill should be sited before locating a transfer station; 3) the transfer station should be sited outside the Urban Growth Boundary near North Plains; 4) the 7-mile limit was an improper criteria; 5) Metro should change the method by which it builds and operates the station; and 6) concern about traffic impacts. The Deputy Presiding Officer then gave the Council an opportunity to ask questions of testifiers, staff and the Advisory Group.

Regarding Site 59, Councilor Kelley asked to what extent the area had already been developed to serve a potential transfer station and other development. Ross Van Loo, Washington County Planning Department and member of the WTRC Advisory Group, responded to the question. He said operating developments near the site included Riviera motors, Fujitsu and the Rock Creek subdivision. All three developments were less than a mile from Site 59, he said. Urban services were available to the site and it was assumed that Croney Road would eventually be realigned to the north opposite to where Rock Creek Boulevard entered Cornelius Pass Road. John Carroll added that his company was also in the process of developing two technology centers across Evergreen Parkway from the Fujitsu development.

Councilor Oleson asked the Advisory Group and staff to respond to numerous comments that the transfer station should not be sited until a new regional landfill was located.

Ms. Wexler reported the center of waste generation and landfill locations were subject to separate criteria. Transfer stations were located close to waste generation centers because it was economically efficient for haulers, who worked within waste generation centers, to transport waste to the centers. Landfills, however, were sited away from developed areas because they required large parcels of land and were subject to specific geotechnical criteria, Ms. Wexler explained. Beth Mason, Advisory Group member, added that if stations were too far away from waste generation centers, the public wouldn't use them and haulers' increased transportation costs would be passed on to customers. She also explained that the 7-mile radius was calculated in air miles, not road surface miles.

Councilor Oleson asked staff to explain how the Advisory Group arrived at the criteria for requiring a transfer station to be sited within seven miles of the center of waste generation. Ms. Wexler said the criteria was determined based on feasible transportation costs.

Councilor Gardner explained that transfer centers were designed to improve the efficiency of the solid waste system. Labor and transportation costs could be substantially reduced by siting stations near waste generation centers. Landfills, however, were much more difficult to site and as such, tended to be located away from population centers.

Gary LaHaie, Advisory Group member, said he wished to present a minority opinion on site recommendations. He said most of the comments heard earlier were in opposition to Site 59, some were opposed to Site 56 but none were opposed to Site 56 South, the smaller portion of Site 56. At earlier meetings, staff had expressed some opposition to Site 56 South because it was too small, especially if recycling efforts were to be expanded. Mr. LaHaie said the site would not require condemnation, was usable, was bounded by rail, had excellent highway access and was near the center of waste. Also, because the site was publically owned, Metro would be adding to the area's tax base. Any problems with the site were engineering problems and not political problems, he said. In conclusion, Mr. LaHaie strongly advocated the Council add Site 56 South as the third site for future negotiations in order the keep options open.

John Maddocks of Floating Point Systems said the testimony he delivered earlier to the Council in opposition to Site 56 also included the south portion of that site. He said the Advisory Group had never presented Site 56 South for public discussion. The subject was introduced at the Group's last meeting, he said, but no public testimony was permitted. Mr. Maddocks said no negative testimony had been received on the subject because none had been solicited.

Chuck Ruttan, representing Emkay Development Company, said he opposed the designation of Site 56 South.

In response to Councilor Gardner's question, Ms. Wexler explained that access to the entire Site 56 parcel was from the Tualatin Valley Highway at 160th. Discussions with a design firm regarding access the north portion of the parcel revealed several possibilities, one including use of the railroad underpass. Staff had received a letter from Burlington Northern Railroad expressing concern about the safety of using a underpass, she said. The other option would be to route traffic over the railroad track, crossing

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it twice. This, she explained, would require securing regulatory permits. Railroad track could also be realligned but that issue had not be resolved with the railroad, she said.

John Maddox said access via 160th would not be appropriate: it was a two-lane road passing through a heavily residential area and already heavily trafficked. It said it was wrong for staff and the Advisory Group to mislead the Council regarding the nature of that access, he stated.

There being no additional questions from the Council. Deputy Presiding Officer Waker asked the Council if they were prepared to make a decision at this meeting on designating sites for the future transfer station.

Councilor Van Bergen said that to defer action on the Washington County transfer station would be to deny a needed regional service. The process had been fair and thorough and he advised the Council proceed with the question on the table.

Deputy Presiding Officer Waker asked Mr. Van Bergen, the maker of the motion to amend the Resolution, if he agreed with Mr. LaHaie that Site 56 South would be included under Site 56. Councilor Van Bergen said he was concerned about whether the public had been granted the opportunity to comment on Site 56 South.

Eleanore Baxendale, General Counsel, said she understood that when Site 56 was considered, all or parts of the site were up for discussion. Those speaking against Site 56 at this meeting, for example, had stated their comments included Site 56 South. The resolution before the Council would not exclude consideration of Site 56 South. The Council could, however, solicit additional public comment on that portion of the site, she said.

Councilor DeJardin, addressing the issue of economic impact of the transfer station, explained that a small shopping center was located near the Clackamas Transfer & Recycling Center. Merchants had suffered losses when the Oregon economy had taken a downturn, but the center was now doing very well. He said the merchants succeeded because of their business leadership and creativity, not because a transfer station was located nearby. Councilor DeJardin said because the Sunset Corridor business community contained even more talented leadership, the presence of a transfer station in that area would not diminish the area's potential.

An unidentified man thought Councilor DeJardin's comments were unfair because the shopping center he mentioned was further away from CTRC than the Sunset Corridor businesses would be from the proposed WTRC.

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In response to Councilor Kelley's request for more information, Ms. Baxendale explained that condemnation could only be instituted if the Council adopted a resolution to do so. She said before that occurred, the Council must adopt a resolution authorizing purchase of the property.

Councilor Kelley then requested staff examine the impact on existing businesses surrounding potential sites. She also requested staff investigate the issue of multiple ownership of potential sites.

In response to Councilor Oleson's question, Dan Durig said the adoption of the resolution now before the Council would not preclude consideration of new sites brought to the attention of staff.

Vote: A vote on the main motion made previously by Councilors Hansen and DeJardin to adopt Resolution No. 85-591 resulted in:

Ayes: Councilors DeJardin, Gardner, Hansen, Kirkpatrick, Kelley, Oleson, Van Bergen and Waker

Absent: Councilors Cooper, Kafoury, Myers and Bonner

The motion carried and Resolution No. 85-591 was adopted as amended.

There being no further business, Deputy Presiding Officer Waker adjourned the meeting at 9:35 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

amn
4339C/313-4
10/01/85

CONSIDERATION OF A SUBLEASE WITH BABICKY &
ZIELINSKI INC. FOR SPACE AT 2000 S.W. 1st AVENUE,
PORTLAND, OREGON

Date: October 3, 1985

Presented by: Judy Munro

FACTUAL BACKGROUND AND ANALYSIS

The purpose of this staff report is to present to the Council a proposed sublease for approval. The proposed sublessee is Babicky & Zielinski Inc., a local CPA firm.

Highlights of the sublease are as follows:

1. \$11.50 sq. ft. lease cost;
2. Five-year (net) lease with four-year six-month option at a rate of \$15.00 per sq. ft.;
3. Leasehold improvements up to \$43,200.00;
4. 4,475 sq. ft. (including load factor) on the east side of the fourth floor;
5. Occupancy December 15, 1985;
6. Up to 15 allocated parking spaces at a rate of \$45 per month or the current rate; and
7. Will share in any increase of operating costs over the lease year by the percentage of this space to the total space or 10.5 percent.

In structuring this sublease proposal, staff has established as a principal criteria the recovery of Metro costs. Exhibit "A" attached shows a breakdown of Metro costs for subleasing and projected revenue from the sublessee. As indicated in Exhibit "A" projected revenues cover projected costs.

In order to consummate this sublease, it was necessary to allow the sublessee right of first refusal on space for expansion as it becomes available in the building.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of the sublease agreement with Babicky & Zielinski Inc.

JM/srs
4408C/435-1
10/03/85

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF DECLARING) ORDER NO. 85-4
CERTAIN PROPERTY SURPLUS AND)
AUTHORIZING THE EXECUTION OF A)
SUBLEASE)

WHEREAS, Metro has leased the building at 2000 S.W. 1st Avenue, Portland, Oregon, for ten (10) years; and

WHEREAS, Pursuant to ORS 271.310(3) it has been determined that 20,000 square feet is not immediately needed for public use; and

WHEREAS, Pursuant to ORS 271.360 a sublease has been proposed with Babicky & Zielinski Inc. for 4,068 square feet attached hereto as Exhibit "A" and incorporated herein; and

WHEREAS, Provision #4 of the proposed sublease provides for the payment of taxes as part of the rental rate; now, therefore,

IT IS HEREBY ORDERED:

1. That surplus property is declared to exist at 2000 S. W. 1st Avenue.

2. That the Executive Officer is authorized to execute the attached contract with Babicky & Zielinski Inc. for sublease of surplus property.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____ 1985.

Ernie Bonner, Presiding Officer

JM/srs
4408C/435-1
10/03/85

EXHIBIT A

ACTUAL METRO INCOME

$\$11.50/\text{sq. ft.} \times 4,475 \text{ sq. ft.} \div 12 \text{ months}$
 $= \$4,288.54/\text{month} \times 60 \text{ months (net)} =$ \$257,312.50

Parking 15 spaces $\times 45/\text{m} \times 60 \text{ months (gross)}$ \$ 40,500.00

REVENUE TO METRO \$297,812.50

ACTUAL METRO EXPENSES (Expressed in Square Feet)

Buildout $\$43,200 \div 4,068 \text{ sq. ft.} = \10.62

5 years = $\$2.12/\text{sq. ft. per year}$

Lease	\$5.50
Op. Costs	3.00
Taxes	2.00
Broker	.65
Buildout	<u>2.12</u>

$\$13.27/\text{sq. ft.} \times 4,068 \text{ sq. ft.}$
 $\div 12 \text{ months} \times 66 \text{ months (gross)}$

TOTAL EXPENSES \$296,902.98

NET REVENUE TO METRO \$ 909.52

JM/srs
4408C/435-1
10/03/85

WASHINGTON PARK ZOO

TO: Don Carlson, Deputy Executive Officer

FROM: Kay Rich, Zoo Assistant Director *KAR*

DATE: October 3, 1985

SUBJECT: PROPOSED REVISION OF THE CURRENT FUNDED ZOO CAPITAL PLAN

The purpose of this memo is to bring you up to date on two proposed revisions to the current Capital Plan. Two changes are proposed: 1) combine Africa Bush Phases I and II into a single project; and 2) construct a new major electrical supply facility. A discussion of each of these items is provided below.

COMBINATION OF AFRICA BUSH PHASES I AND II

When the Master Plan was done, we anticipated doing the Africa Bush Exhibit in three phases. That was dictated partly by tax collection constraints and partly by what appeared at that time as reasonable sequencing of exhibits. Now that we're into detailed design, it no longer appears advantageous to follow that plan. Instead, it is to our advantage to do Phases I and II as a single project with Phase III to be done during the next funding cycle. Following are some of the factors the staff considered in reaching this conclusion:

1. Substantial savings on construction costs with only one mobilization charge (contractor set-up costs);
2. Savings on architectural fees;
3. Reduced costs related to inflation with earlier bidding and construction;
4. Better ability to address utility needs for the whole project;
5. The Zoo would be torn up for less time, reducing pedestrian traffic disruption;
6. Save Zoo staff time; and
7. No logical break point between Phases I and II until we reach road between existing giraffe and zebra exhibits which is the start point for Phase III.

I asked the architect to provide us with an analysis of this issue. His response is attached. If the Council concurs with our reasoning, we would propose amending the Jones & Jones contract, allowing them to proceed with construction documents and construction observation for Phase II. Under the present contract they provide those services for Phase I, but stop after design development on Phase II.

Because our construction schedule has progressed more slowly than originally expected due to a contractor's default on Alaska and the need to rebid West Bear Grotto, the funding for Phases I and II as a single project would be available. The attached schedule for fiscal years 1984-85 through 1987-88 shows anticipated project expenditures and revenues for those years. The schedule assumes no new public funding for capital projects beyond the present levy, and no recovery from the performance and labor and material bonds on the Alaska project.

The schedule shows a transfer of \$360,757 in FY 1987-88 from the Operating Fund to complete the improvements shown. It is anticipated that prior year taxes will account for \$189,200 of this amount and the balance of \$171,557 will come from savings generated in the Operating Fund or reimbursements from the bond claims. Should the latter funds not become available, another option is to reduce the scope of the project.

NEW ELECTRICAL SUB-STATION

Currently all electrical power is provided to the Zoo through a sub-station near the Maintenance Building. The capacity of this facility is 800 to 1000 amps. It includes a 400 amp diesel generator. In 1980 Straam Engineers advised us that we were nearing the capacity of the existing sub-station to serve the Zoo but it was thought we had enough leeway to provide power through the currently scheduled improvements. This has not proved to be the case. A recent power outage at one of the exhibits brought about a reevaluation of our electrical needs. It has been determined that we need a new sub-station to increase the power supply coming into the Zoo, especially to serve the cooling facility for the West Bear Grotto exhibit. We are proposing to construct a 1200 amp sub-station including a 500 amp generator near the Quarantine Building to provide service to the upper part of the Zoo.

As indicated in the attached schedule, the projected cost of this facility is \$240,000. Since this project was not included in the FY 1985-86 budget, the Council will need to revise the budget for us to proceed. We should begin a discussion with the Council as soon as possible on this matter.

JONES
&
JONES

233 S.W. FRONT AVE.
PORTLAND, OR 97204
(503) 241-3810

ARCHITECTS
LANDSCAPE ARCHITECTS

27 September 1985

Dr. McKay Rich
Assistant Director
Washington Park Zoo
4001 S.W. Canyon Rd.
Portland, OR 97221

Dear Dr. Rich:

I have listed below those items that I believe constitute cost savings to the zoo if Phase I and Phase II of Africa Bush are combined in construction documents through construction.

DESIGN SAVINGS are realized by diminished learning curves, less additional coordination and administration, combination of common design elements, and simplicity of preparing one set of documents versus two.

<u>SAVINGS</u> (firm figure - constitutes 20% savings on normal fee)	\$66,300
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CONSTRUCTION SAVINGS come from one phase of construction as opposed to two. The savings include less mobilization costs, less utility changes, less repairs to roads and surrounding areas, more room for staging construction, and more flexibility for trades to work continuously on a larger site. Also, by fixing bid prices as soon as possible, we may realize large savings, assuming the current stable economy changes and interest rates increase during the course of construction.

<u>SAVINGS</u> (very conservative estimate)	\$100,000
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Sincerely,

Keith B. Larson
Principal

KBL/ph

TABULATION OF DESIGN SAVINGS

CURRENT FEE (approximately 14.5% of construction costs)

PROPOSED FEE for additional work:

- | | |
|---|------------------|
| A. Predicated on current fee (approximately 14.5%) | \$320,450 |
| B. With itemized savings (comes to approximately 11.5% fee) | <u>\$254,150</u> |

SAVINGS

\$66,300

SCHEDULE CHANGES

9/27/85

Contract:

Contract Documents	February '86
Bidding	March '86
Construction	April '86
Completion	Fall '87

Revised:

Contract Documents	March/April '86
Bidding	April/May '86
Construction	May/June '86
Complete	
Aviary/Cafe'/Amphitheater	Spring '87
Exhibits	Spring '88

Animal Management/Food & Visitor Services Savings/Revenue Production:

1. There is more latitude in safely moving animals with one phase of construction. This is especially true of giraffes and hippos.
2. Flexibility in construction sequencing will allow the Africafe' and Amphitheater to be constructed during the off-season and open during Summer season, thus allowing better circulation options.
3. The project can be accelerated with one phase of construction. This will result in less in-house administrative costs to METRO and the Zoo and potentially allow for earlier dates for openings, thereby creating the opportunity for more revenue.

ZOO CAPITAL PLAN					
EXPENDITURES	1984/85	1985/86	1986/87	1987/88	
ALASKAN TUNDRA	722,595	30,000	0	0	
WEST BEAR	285,866	2,332,982	0	0	
AFRICA BUSH I	146,276	760,000	4,595,824	30,000	
AFRICA BUSH II	0	300,000	1,000,000	1,445,000	
ELEPHANT MUSEUM	95,813	280,000	0	0	
CASCADE	0	20,000	300,000	300,000	
GIFT SHOP	0	125,000	0	0	
ED BUILDING	0	700,000	0	0	
SCULPTURE GARDEN	2,680	0	0	0	
MISC. IMP	48,454	185,000	130,000	120,000	
ELEC. UPGRD		240,000			
UNAPP. BAL	6,164,035	4,450,791	1,139,652		
TOTAL	1,301,684	9,423,773	7,165,476	1,895,000	
REVENUES					
BEG FUND BALANCE	4,821,610	6,164,035	4,450,791	1,139,652	
DONATION/BEQUEST	152,424	300,000	300,000	300,000	
INTEREST	533,004	511,615	369,416	94,591	
TRANSFERS FROM OP.	1,958,681	2,448,123	2,045,269	360,757 *	
TOTAL	7,465,719	9,423,773	7,165,476	1,895,000	

* The source of these funds are projected to be \$189,200 in Prior Year Taxes and \$171,557 from savings generated in the Operating Fund or reimbursements from the bond claim.



Memo

Agenda Item No. 9

Meeting Date Oct. 10, 1985

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: October 8, 1985
To: Metro Council *DE*
From: Donald E. Carlson, Deputy Executive Officer
Regarding: Status Report on Council Tax Advisory Group Meetings

The purpose of this memo is to provide a status report on the Tax Advisory Group (TAG) meetings held to date. Since the end of August seven meetings have been held as follows:

<u>Date</u>	<u>Day</u>	<u>Time</u>	<u>Place</u>	<u>Councilor</u>	<u>Number of Guests</u>
8/28	Wed.	Noon	Metro	Kafoury	13
9/10	Tues.	Noon	Tualatin Chamber	Kirkpatrick	16
9/12	Thur.	Noon	Plaza West	Oleson/ Waker	5
9/17	Tues.	4:30	Metro	Gardner	7
9/18	Wed.	Noon	Beaverton Park Place	Oleson/ Waker	9
9/25	Wed.	7:00 p.m.	Multnomah Center	Gardner	4
9/25	Wed.	Noon	Beaverton Park Place	Oleson/ Waker	8

Two additional meetings are scheduled through October as follows:

10/14	Mon.	Noon	Tigard Chamber Public Affairs	Kirkpatrick Committee
10/17	Thur.	7:30 p.m.	Home of Joe Voboril	Bonner

As you recall, the purpose of these meetings is to obtain advice from interested persons on whether or not to put a tax measure on the May 1986 Primary election ballot and if one is submitted, the type of levy (tax base or serial levy) and the purpose of the levy (Zoo or General Government or a combined levy).

Information provided to the participants is the "Council Tax Advisory Group Discussion Outline" attached as Exhibit A. That outline provides background information on the status of Metro's major revenue sources, the relevant financial policies adopted by the Council, as well as projected property tax needs for Zoo operations and General Government functions. Time has been taken at each meeting to review this material with the participants.

Exhibit B attached provides a brief summary from each meeting. General conclusions at this time appear to be as follows:

Whether or Not to Put a Measure on the Ballot

None of the groups concluded that Metro absolutely should not put a measure on the ballot in May. There were many expressions that property tax measures will continue to face severe voter resistance especially in the wake of the sales tax defeat. One group (Waker/Oleson, September 12) and several other individuals strongly recommended that if Metro decides to put a measure on the ballot, they do so with a strong commitment and effort to pass the measure. This recommendation was made in the context of a discussion about the Legislature and Governor requiring Metro to put a measure on the ballot. Their advice was do not put a measure on the ballot simply to satisfy legislative interests.

Purpose of the Levy: Zoo Operations Only or Combined Zoo/General Government Levy

Most of the groups generally concluded that Metro should submit a combined levy. Common reasons expressed were: 1) General Government should capitalize on the Zoo as a popular service (cities and counties do the same thing with police and fire protection); 2) submitting a combined levy first enables the Council to eliminate General Government for the second election; 3) combining the levy would not do harm to the Zoo in the long run (the public will always support the Zoo); and 4) submitting a combined levy would place Metro in a better position with the 1987 Legislature when we seek additional taxing authority.

Two groups (Kafoury, August 28, and Gardner, September 25) strongly recommended that only a Zoo levy be placed on the ballot. They concluded that a combined levy could not be passed and placed strong emphasis on Metro putting forth a "successful" ballot measure. These groups advised Metro to return to the 1987 Legislative Session to obtain other taxing authority for General Government purposes.

One individual (Tualatin City Administrator) suggested that Metro replace the local government dues with a tax levy. One person suggested that the entire General Fund (General Government and Support Services activities) be included in a combined levy.

Type of Levy: Tax Base or Serial Levy

It was difficult to obtain a clear direction on this point. The general conclusion of most groups was that a tax base is more difficult to pass than a serial levy. Several people suggested a strategy of submitting a tax base levy first and a serial levy second. Several individuals strongly recommended that a serial levy be used because of voter resistance to the tax bases.

Other Issues

The Kafoury group (August 28) spent a considerable amount of time discussing the future of Metro. This discussion was initiated by a conclusion that a General Government levy measure might be more acceptable if Metro has more to do. A general conclusion was that Metro should be more aggressive or bold in responding to regional service needs.

Additional Input

In addition to the remaining TAG meetings listed above, several other types of meetings to obtain advice are being planned:

- o The Friends of the Zoo (FOZ) have created a special task force composed of seven FOZ members and three Councilors to develop a recommendation that the FOZ Board will make to the Council regarding this matter. To date, two meetings have been held with possibly two more being planned. The FOZ recommendation should be made no later than the end of November.
- o Staff is setting up meetings between Metro Councilors and Legislators to discuss our financial situation in general and this issue specifically. These meetings should be held during October and November.

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- o Finally, staff is preparing an RFP for a consultant to conduct two focus groups to discuss Metro and this tax proposal issue. The results of the focus groups should be available by mid-November.

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TABLE 1

ZOO OPERATING FUND REQUIREMENTS

SUMMARY

CATEGORY	FY 84/85	FY 85/86	FY 86/87	FY 87/88	FY 88/89	FY 89/90
Personal Services	2,966,457	3,239,283	3,530,737	3,790,492	3,964,092	4,163,644
Materials & Services	1,655,899	1,963,982	2,246,722	2,476,105	2,565,456	2,716,486
Capital Outlay	302,824	398,134	445,845	453,278	460,341	483,358
Transfer to:						
Support Services Fund	468,728	484,815	407,106	422,058	438,374	455,393
Building Fund	25,495	79,452	50,230	21,529	24,687	22,570
SUB-TOTAL O & M	5,419,403	6,165,666	6,680,640	7,163,462	7,452,950	7,841,451
Contingency	0	168,042	186,699	201,596	209,697	220,905
Ending Unappropriated Balance Unreserved	1,784,294	1,034,058	830,000	661,500	694,575	729,304
Transfer to Capital Fund		438,883	0	0	0	0
TOTAL REQUIREMENTS	7,203,697	7,806,649	7,697,339	8,026,558	8,357,222	8,791,660

d. Assumes an inflation rate of 4% for personal services and 5% for the other categories annually 1985-86 to 1989-90. For fiscal years 1984-85 and 1985-86, includes general fund transfer.

TABLE II
ZOO OPERATING FUND RESOURCES
SUMMARY

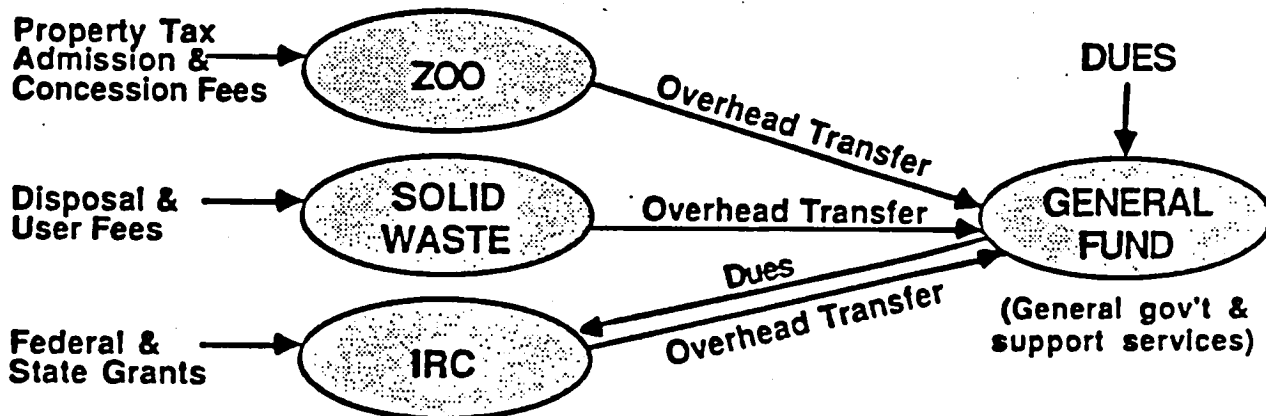
CATEGORY	FY 84/85	FY 85/86	FY 86/87	FY 87/88	FY 88/89	FY 89/90
Begin. Fund Balance ^a	1,327,101	1,784,294	1,202,100	1,016,699	863,096	904,272
Enterprise Revenue	2,648,684	2,758,750	3,116,695 ^b	3,550,124	3,883,669 ^b	4,249,095
Property Taxes	2,938,022	3,016,000	3,201,720	3,295,634	3,456,324	3,477,839
All Others	289,890	247,596	176,824	164,101	154,132	160,455
Total Resources	7,203,697	7,806,640	7,697,339	8,026,558	8,357,221	8,791,661

a. Assumes fund balance equals previous year's unappropriated balance plus the contingency.

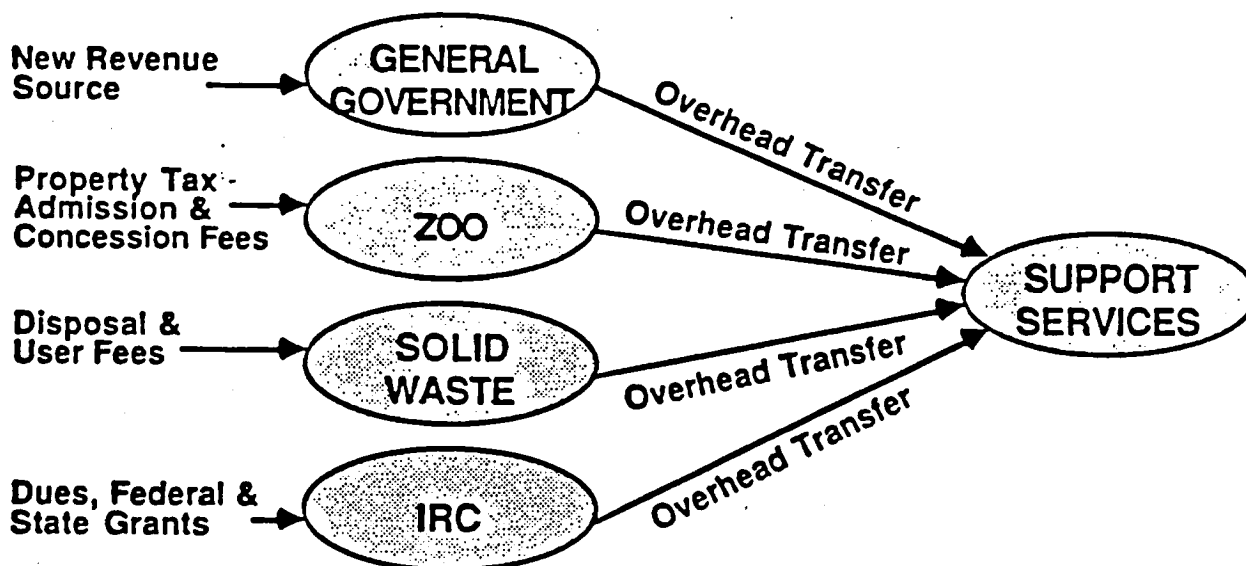
b. Assumes fee increase on January 1, 1987 and January 1, 1989.

Figure 1

Current (1985-86) Four Operating Fund System



Proposed (1986-87) Five Operating Fund System



COUNCIL TAX ADVISORY GROUP DISCUSSION OUTLINE

BACKGROUND

EXHIBIT A

FINANCIAL STABILITY IS AN IMPORTANT GOAL FOR METRO

STATUS OF REVENUE SOURCES

- o Zoo Operating and Capital serial levy (\$5,000,000/year) expires at end of FY 1986-87
- o Local government dues expire on June 30, 1989
- o Federal and state grants for planning purposes are generally declining
- o Solid Waste disposal fees are sufficient to cover cost of Solid Waste function

FINANCIAL POLICIES ADOPTED BY METRO COUNCIL

- o Each functional area secure identified source of revenue
 - . Zoo - admission/concession fees and property taxes
 - . Solid Waste - disposal and user fees
 - . Intergovernmental Resource Center (IRC) - grants and local government dues
 - . General Government - separate revenue source
- o General Government will pay for direct costs and its share of support services costs
- o Support Services functions (Accounting, Personnel, Budget, Data Processing, etc.) shall be financed by other operating funds on basis of actual use (see Figure 1 attached)
- o Zoo operations shall be funded approximately 50 percent from property taxes and 50 percent from non-property tax sources (primarily admissions and concession fees)

PROJECTED PROPERTY TAX NEED *

<u>Existing Function</u>	<u>Four Year Average (1986-87 to 1989-90)</u>
Zoo Operations	\$3,300,000 (\$3,500,000 if General Government not funded)
General Government **	<u>\$ 900,000</u>
Total	\$4,200,000

* Based on following projections attached: Table I, Zoo Operating Fund Requirements; Table II, Zoo Operating Fund Resources; Table III, Proposed General Government Fund Expenditure Projections; and Table IV, Proposed Support Services Fund Expenditure Projections.

** State mandated costs including Council, Executive Management, elections, Boundary Commission dues, UGB management and land use coordination and proportionate share of support services costs.

DISCUSSION QUESTIONS

1. Should Metro seek a tax base from District voters at the May 1986 election?
2. What should be included in the tax base measure? Zoo needs, General Government needs, other functions.
3. What are the chances of passing a tax measure in May 1986?
4. What are the advantages and disadvantages to submitting a tax measure in May 1986?

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TABLE III

PROPOSED GENERAL GOVERNMENT FUND EXPENDITURE PROJECTIONS
1986-87 TO 1989-90

Department	FTE	Current Budgeted General Fund 1985-86 ^b	Proposed General Government Fund Projected Expenditures				Four Year Average
			1986-87	1987-88	1988-89	1989-90	
Council							
Personal Services	2.0	70,223	75,031	78,032	81,153	84,399	
Materials & Services		58,420	61,320	64,386	67,605	70,985	
Capital Outlay		0	3,500	1,500	0	0	
Subtotal		128,643	139,851	143,918	148,758	155,384	146,978
Executive Management							
Personal Services ^a	4.5	200,059	208,963	217,322	226,014	235,055	
Materials & Services		31,830	98,900	100,700	102,700	105,000	
Capital Outlay		0	5,000	3,000	0	0	
Subtotal		231,889	312,863	321,022	328,714	340,055	325,664
Transfers and Contingency							
Transfer to Building Fund		-	120,680	51,724	59,313	54,225	
Transfer to Support Services Fund		-	210,474	217,837	226,258	235,041	
Transfer to IRC Fund ^c		-	60,020	52,796	55,370	57,292	
Contingency		-	75,000	75,000	75,000	75,000	
Subtotal		-	466,174	397,357	415,941	421,558	425,257
TOTAL EXPENDITURES	6.5		918,888	862,297	893,413	916,997	897,899

^a Includes all current positions except General Counsel which is included in the Support Service Fund (see Table 2).

^b Assumes a 3 percent COLA for wages and salaries. Transfers and contingencies not shown because of change from a four fund to a five fund system.

^c Projected amount necessary to cover the costs for urban growth management and land use coordination services (state mandated functions). Total costs for these functions are budgeted in the IRC Fund (other projected revenue budgeted in IRC Fund for UGB/Land Use Coordination includes UGB fees and LCDC grants).

TABLE IV
PROPOSED SUPPORT SERVICE FUND EXPENDITURE PROJECTIONS
1986-87 TO 1989-90

Department or Division	Current Budgeted General Fund FTZ	Proposed Support Services Fund Projected Expenditures				Four Year Average	
		1985-86 ^b	1986-87	1987-88	1988-89		1989-90
Executive Management							
Personal Services ^a	1.0	61,322	65,498	68,118	70,843	73,677	
Materials & Services		4,415	4,635	4,867	5,110	5,365	
Capital Outlay		0	1,000	0	0	0	
Subtotal		65,737	71,133	72,985	75,953	79,042	
Finance & Administration:							
Accounting							
Personal Services	7.17	229,815	245,463	255,282	265,493	276,113	
Materials & Services		30,503	32,075	33,679	35,363	37,131	
Capital Outlay		0	3,000	0	0	0	
Subtotal		260,318	280,538	288,961	300,856	313,244	
Management Services							
Personal Services	8.42	277,426	296,438	314,047	326,609	339,673	
Materials & Services		270,392	240,000	252,000	264,600	277,830	
Capital Outlay		0	3,000	0	0	0	
Subtotal		547,818	539,438	566,047	591,209	617,503	
Data Processing							
Personal Services	2.91	120,088	128,270	133,400	138,736	144,285	
Materials & Services		73,460	115,500	116,675	117,910	119,205	
Capital Outlay		0	2,000	0	0	0	
Subtotal		193,548 ^c	245,770 ^c	250,075 ^c	256,646 ^c	263,490 ^c	
Public Affairs							
Personal Services	8.10	250,117	267,458	278,156	289,282	300,853	
Materials & Services		44,990	47,200	49,560	52,038	54,640	
Capital Outlay		9,350	4,000	0	0	0	
Subtotal		304,457	318,658	327,716	341,320	355,493	
Contingency							
Subtotal			45,000	50,000	50,000	50,000	
			45,000	50,000	50,000	48,750	
<hr/>							
TOTAL SUPPORT SERVICES FUND	27.6		1,500,537	1,555,784	1,615,984	1,678,772	1,587,769
TOTAL ALLOCABLE COSTS (see Footnote c)			1,459,162	1,512,754	1,571,234	1,632,232	1,543,845

^aIncludes the General Counsel position providing legal services to the organization.

^bAssumes a 3 percent COLA for wages and salaries. Contingency not shown because of a change from a four-fund to five-fund system.

^cIncludes direct costs primarily charged to grants in IRC for Pixel computer operating costs. The following estimated amounts are not included as allocable costs in the annual cost allocation plan (See Exhibit C for 1986-87 estimated allocation plan): 1985-86 - \$39,033; 1986-87 - \$41,375; 1987-88 - \$43,030; 1988-89 - \$44,750; and 1989-90 - \$46,540.

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Attendance:

Rep. Ron Cease, Sen. Jane Cease; Bud Kramer; Don McClane; Jackie Bloom
Joe Voboril; Bob Scanlon; Dick Armstrong; Blanche Schroeder; Bernie
Foster; Bob Stacey; Don Barney.

Metro representatives present: Councilor Marge Kafoury; Don Carlson;
Ray Barker; Vickie Rocker; Phillip Fell

Kafoury explains need for tax-base:

- 1) no permanent funding source for zoo;
- 2) general Metro gov't. has no funding source. i.e., Council & Executive
Management expenses; legislatively mandated expenses.

Kafoury explained transfers as source of general fund. She reviewed our
legislative efforts: excise tax; cigarette tax; dues extension.

Questions today are:

- 1) Should we go for a tax base?
- 2) What should be in it?
 - zoo; operating and/or capital expenses;
 - general gov't.?

Don Carlson reviewed outline covering our funding sources and needs.

J. Cease - If Multnomah County is dropping their residential assessed values,
we should keep abreast of their changes to determine what the cost/thousand
will be.

Kramer - If general gov't. tax base fails, would you continue transfers
to fund general gov't?

Some discussion of need to go for a tax base in view of general legislative
direction.

Kramer- Don't go for a tax base unless you have hope of getting it. General
gov't. funding won't pass, we're better off continuing to limp along
than losing a public referendum.

Stacey - Metro can't do anything but limp along without more money, we
should go for a tax base.

Barney - Put two tax bases on ballot, one for zoo, one for gen'l. gov't.
For a gen't. gov't. tax base, we'll need an agenda which convinces people
that they should vote for it.

McClave - Not enough public understanding to give you a good shot at a
tax base.

Armstrong - It's important that people understand that your general gov't.
responsibilities wouldn't go away if you don't get a gen'l. gov't. tax base.

R. Cease - Don't put gen'l. gov't. tax base up unless you have:

- 1) good idea of what you'd do (agenda)
- 2) good shot at winning.

Kramer - A good solid waste reduction plan could be the victory which we need to set favorable public attitudes;

Bloom - A Metro "agenda" for new service areas, or new problems to be resolved would be important.

Stacey - Metro should solve a new problem, play a major role in a convention center.

Scanlon - Performing Arts Center should have been done by Metro, but Metro was so weak that we knew it would be more successful using another mechanism.

Kramer - There is no connection, in the public eye, between the zoo and Metro.

Armstrong - Metro's done a great job coordinating federal fund distribution, but nobody knows; Scanlon agrees.

R. Cease - Go for zoo only tax base because the public doesn't like giving tax bases and they won't support a gen'l. gov't. tax base. We'd only get 30% of the vote, which would be disastrous.

Schroeder - Go for zoo only tax base.

Scanlon - Go for zoo operating base only and use serial levies for subsequent capital projects. Also, help people make the connection between Metro and the zoo, rename it "Metropolitan Zoo"

There was discussion and broad general agreement that we should go for a zoo only tax base.

R. Cease - May '86 will be bad time to go for anything; go for a zoo levy in '87. Because: (1) public mood is awful; (2) glut of other jurisdictions asking for money.

Foster - play off of your success at the zoo.

Barney - Public will only support those services which they perceive as legitimate, e.g., our solid waste role; our coordination services aren't "legitimate" in the public eye.

Vobiril - Time helps people forget past mistakes, e.g. accounting problems, delay going for anything as long as you can.

J. Cease - We need to be more aggressive in developing a real regional gov't. We can't sell solid waste, except maybe recycling. the zoo is saleable. We need to find some more positive roles/functions to perform. We should find something the public wants done and do it.

Barney - Our coordination work is great and it's not threatening. Once we have a structure(bldg.) we may be a threat because:

- 1) We may be incapable of operating a facility;
- 2) We may be threatening to other vested interests.

Scanlon - Metro lacks boldness. General discussion resulted in agreement with that statement. "general gov't." is a "scary" term implying a dramatic growth in administration, if we go for "general gov't. funding, we should develop a euphemism.

September 10, 1985
Tax Advisory Group: Kirkpatrick

Tualatin Chamber of Commerce; 16 members attending, including:
Mayor Luanne Thielke; City Manager Steve Rhodes.

Staff Attending: Barker; Carlson; Fell

Because of the formal nature of the meeting, it was difficult to discern a particular consensus. Several individuals expressed the feeling that a zoo-only measure would have the greatest likelihood of success; there was no clarification of whether that should be a serial levy or tax base.

Rhodes observed that he would like to see Metro include money in a tax request to offset the local dues. This would free up a portion of the city's levying authority for provision of city services.

September 12, 1985

Tax Advisory Group; Bob Oleson/Richard Waker

Attending: Eileen Bedard, Mark Dement, Pam Hulse,
Jeanette Lanner, Homer Speer

Staff Attending: Ray Barker, Don Carlson

Consensus of this group appeared to be as follows:

- o While the "tax climate" is bad, go for a combined Zoo/General Government measure in May. Reasons included: 1) the Zoo is a positive function so General Government should be tied to it for success; 2) would be following mandate of legislature, thus be able to return to next session to discuss additional taxing authority; and 3) a combined measure if not successful would not do harm to Zoo in the long run.
- o If a measure is put on ballot, make a strong effort to pass it. Councilors need to be active in support of the measure.

September 17, 1985
Tax Advisory Group; Jim Gardner

Attending: LeAnn MacColl, League of Women Voters; George Lee, City of Portland; Ernie Munch, architect; Clyde Doctor, PP&L; Jerri Doctor, Beaverton Chamber of Commerce; Paul Fellner, CPA & member of City Club's Metro Committee; Craig Crispin, attorney & member of City Club's Metro Committee.

Staff Attending: Don Carlson; Ray Barker; Vickie Rocker; Phillip Fell

Discussion began on the options of seeking a combined base in May and going for a zoo only levy in November. Munch suggested that we consider folding in local dues. Paul Fellner observed that nobody knows that they're paying the 50¢ now, so we shouldn't bring it up.

As discussion continued, consensus developed around the idea of seeking a combined base in May '86, a zoo only base in November '86; a zoo only serial levy in May '87 if our financial capability permitted a special election. If not, a zoo serial levy should be sought in November '86.

WASHINGTON PARK ZOO

To: Rick Gustafson

Date: 7 Oct. 85

From: Gene Leo *Gene*

Subject: China Trip

On September 11th, Steve McCusker and I, accompanied by David Towne, Director of the Woodland Park Zoo in Seattle; Dick Swanson, Seattle Zoological Society President; and Gary Zarker, Seattle Budget Director departed the Northwest for Shanghai, Beijing, Chongqing, and Guangzhou, China with the following goals to accomplish:

1. Finalize the negotiations to secure a travelling exhibit of golden monkeys for Portland and Seattle in Spring, 1986.
2. Finalize a permanent animal exchange of one male and two female Tonkin Langurs from the Chongqing Zoo in exchange for one male chimpanzee obtained by the Washington Park Zoo.
3. Conduct negotiations with the Guangzhou Zoo to pursue an animal exchange of one male and one female lesser panda for one male and one female eclectus parrot from the Washington Park Zoo.
4. Expand our knowledge of Chinese Zoos and develop an ongoing friendship and professional relationship with the Chinese zoo professionals.
5. Gather information and develop an understanding of the current political, economic and cultural changes occurring in China which present opportunities for expanded trade between Portland and China; document this in photographs suitable for use in fund-raising and graphic interpretives for future exhibits.
6. Continue progress toward developing plans for a Giant Panda travelling exhibit in Portland and Seattle.

I am happy to report that in all of these areas we have achieved successes.

Traveling Golden Monkey Exhibit

We have reached an agreement between the Chinese Zoological Association and Seattle and Portland zoos which outlines the loan of a pair of golden monkeys to Seattle and Portland for a period of six months commencing

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shortly after the first of the year. The exhibit will take place in Seattle from February through April, and in Portland from May through the last of July. There are provisions for extension or modification depending upon the timeliness of receiving import permits and the popularity of the animal exhibits. The exhibit schedule could begin one month earlier if permits and other logistics allow.

We (Seattle and Portland) will be responsible for:

- The care and husbandry, prevention and treatment of illnesses, as well as the safety and protection of the golden monkeys. Assisting in this endeavor will be three technical specialists which include animal management, veterinary and interpreter personnel from the Chongqing Zoo. Should the monkeys become ill during the exhibit period the technical group will be available for consultation and will have ultimate authority to decide whether the exhibit should continue or not.
- Arranging permit procurement and transportation of the monkeys from China to the U.S. and for their return trip to China. The China Zoological Association is responsible for travel and arrangements for the animals within China.
- Assisting in opening and closing ceremonies and furthering economic ties and friendship between Seattle and Portland and China. A total of nine honored guests from Beijing and Chongqing will attend an opening ceremony for the exhibit in Seattle and a closing ceremony in Portland.
- While in Chongqing Steve McCusker and I examined the pair of golden monkeys to be exhibited in Seattle and Portland and found them in a good state of health. Inoculations and transport procedures as discussed with the Chinese are agreed to be in conformance with professionally accepted standards.

Oct. 7, 1985

- To conduct the travelling exhibit we are responsible for expenses pertaining to the transport of the golden monkeys, the food, husbandry and medical expenses during the monkeys' stay in the United States; the transportation and living expenses for the technical specialist group during their stay in the United States; the transportation and expenses for the honored guests, and the insurance premium for the golden monkeys. The golden monkeys will be insured by the China Insurance Company during their travel and stay in the United States. Our liability is limited to the limits of this insurance policy.

- The negotiations also provided for a donation to the Association of Chinese Zoological Gardens for the specific purpose of improving the care, breeding and conservation of the golden monkey and other endangered species in China. This donation is payable within two months after the closing of the exhibition.

The agreement reached in Beijing is subject to ratification by our governing bodies in Portland and Seattle and the Chinese government. In an effort to simplify the negotiations with the Chinese, the specific written agreement identifies the City of Seattle and the Chinese government as signatories. An addendum to the main agreement identifies the Washington Park Zoo and the Woodland Park Zoo as partners in this effort.

Director David Towne and I have identified the expenses relating to this agreement and estimate the expense incurred will be approximately \$60,000 for each city. Expenses in addition to those identified will include graphic interpretives, educational programs, promotion and advertising and similar expenses which would provide a quality Chinese exhibit in Seattle and in Portland. I believe our total basic financial commitment for this exhibit will be approximately \$96,000 which includes the additional expenses mentioned above, however, our zoo staffs and support groups are evaluating this budget at this time.

These expenses could be reduced or exhibit enhancements added by an active development effort to secure donations and in-kind services. We have solicited the support and active involvement of a group of Portland community leaders which includes: Bill Supak, Director of Aviation for the Port of Portland; Don Frisbee, Chairman of the Board, Pacific Power &

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Light; Rick Steinfeld, President of Steinfeld Products; Irwin Starr, Vice President and General Manager of KGW-TV; Blake Hering of the Blake Hering Company; Sam Naito, Norcrest China Co.; Dolores Winningstad; Dr. Robin Drews; and Dr. David Cressler with additional input from others. This group would serve as a committee of the Friends of the Washington Park Zoo, and can serve a vital liaison function to inform and involve Portland business in the China Exhibit beyond fundraising activities. I believe this committee can establish a number of activities which enhance our opportunity for business involvement in China.

Even though these expenses may be reduced by a successful development effort, our earned revenue for gate receipts, gift shop, food revenue and railroad revenue would only need to increase by 10.1% during this period to recover our entire expenditure. This means that we would require an additional 28,000 visitors during the three months of the exhibition, to earn this \$96,000 in the event fundraising efforts were not successful.

While in Chongqing I was able to take a number of photographs which depict the culture, economy and lifestyle of the people in Szechwan province which will be very valuable in conducting the exhibit. While the golden monkeys are very exciting animals and have only appeared outside of China once at London's Regent Park Zoo in the early 1900's and once in the United States, I believe the true value of this Chinese exhibit is to provide a current view of life in China. As the potential for economic growth increases, changes are directly altering life in China and these exhibit interpretives should document the efforts of the Chinese government to reach out to international trade and economic development.

The Chinese government has specified a goal that China will enter the 21st century fully in step with the technical, economic and political stability of a world leader in the 21st century. By developing a good understanding for the vast natural resources and cultural influences which create an environment for economic production, as well as the negatives of old technologies and a lack of foreign exchange surplus, we can reach a better understanding of China's goal. The Chinese value an opportunity for international trade and those countries which understand its strengths and weaknesses stand to prosper the most. This is the essence of our Chinese exhibit. Through the exhibit of golden monkeys, Tonkin langurs (see below) art exhibits from the Szechwan Academy of Fine Arts, and the educational graphics, I believe we can provide this experience for our visitors.

Permanent Animal Exchanges and Related Activities

While in Chongqing we finalized the animal exchange calling for one male and two female Tonkin langurs to come to the Washington Park Zoo in exchange for one male chimpanzee and a video system which will enable Chongqing to monitor and record their endangered species breeding programs. Additionally, we held discussions with professors at the Szechwan Academy of Fine Arts, who indicated strong interest in exhibiting their work at the Chinese exhibit. The quality of this work is outstanding and provides an insightful view of Chinese fine arts which will embellish the quality of our China exhibit. We hope to finalize our plans when these professors come to Portland for a teaching sabbatical at the Portland Art Museum later this month.

Negotiations with the Guangzhou Zoo

We conducted negotiations with the Director and Assistant Director of the Guangzhou Zoo to pursue an animal exchange of one male and one female lesser panda for one male and one female eclectus parrot. We have reached tentative agreement for the lesser pandas, however, Steve McCusker is in the process of securing additional species of parrots for further trade. We anticipate finalizing this exchange in the near future.

Expanded Knowledge of Chinese Zoos

Through our discussions and visits with the zoological leaders in Shanghai, Beijing, Chongqing and Guangzhou, we have developed a warm friendship between these zoos and the Washington Park Zoo. In addition to discussing common challenges and opportunities with zoo professionals in these cities, we also had warm and friendly discussions with the Minister of Urban and Rural Construction, a cabinet-level position in the Chinese government, the Executive Director of the Chinese Zoological Association, the Foreign Affairs officials of Shanghai, Chongqing, Beijing and Guangzhou.

Tangible results include the Washington Park Zoo being offered the first foreign zoo membership in the Chinese Zoological Association, creating the environment for a trade delegation to visit Chongqing this next year to explore possible opportunities in cooperative endeavors. This is more fully explained in the next section.

Developing an Understanding for China Today

Through our discussions with Chinese government officials in the Foreign Affairs Office in Shanghai, Chongqing and Guangzhou, we have been able to pursue an open, warm and friendly relationship which has fostered a good understanding of the major changes taking place in Chinese economic, political and cultural life. I believe we are in a position to provide an environment for friendly introduction of Portland businesses to Chongqing government officials. The decentralization of economic development and the active pursuit of international economic partnerships by the Chinese government provides a rare opportunity to expand trade relationships with China today. China is in a unique position, having extensive natural resources in minerals, natural gas, hydro-electric power and human resources. It requires technologies and capital to meet its goal of economic development.

With the friendships made on this visit, I believe we have entree to this opportunity in Chongqing for a warm and friendly introduction to these potential cooperative endeavors. I hope that our Chinese exhibit can provide this environment and assist our community in this manner in economic development.

To fully explain this opportunity in graphics and other interpretives, photographs were taken by our delegation.

Progress Towards Travelling Giant Panda Exhibit

In the course of our discussions with the China Zoological Association, we addressed the desire to develop finite plans for a giant panda exhibition in Seattle and Portland. The current policy of the Chinese government is that for the next two to three years, giant panda exhibits will take place in countries other than the United States since giant pandas are presently on exhibit in Washington, D.C. and were recently on exhibit in San Francisco and Los Angeles.

The Chinese government has also determined that only two golden monkey travelling exhibits and two giant panda travelling exhibits will be conducted per year.

The agreement between the China Zoological Association and us specifies a continued concerted effort to pursue this giant panda travelling exhibit.

Oct. 7, 1985

I believe that a successful golden monkey travelling exhibit, tonkin langur exchange and the similar programming we have identified to extend friendship and mutually beneficial programs between the Chongqing Zoo and Seattle and Portland will all assist in securing a future travelling giant panda exhibit.

Action Requested:

I recommend that we take the following action steps:

1. Recommend approval from the Metro Council to enter into a contract with the City of Seattle to pursue the China Exhibit at a cost not to exceed \$96,000. These funds could be allocated from contingency. Revenues earned would replenish the contingency should outside funds not be available from fundraising. Sufficient contingency funds exist in the Zoo Budget.
2. Authorize our staff to continue planning and implementation of the interpretive graphics components of the exhibit in concert with the Woodland Park Zoo staff in Seattle and input from community leaders.
3. Request the Friends of the Washington Park Zoo to convene the special China Exhibit Ad Hoc Committee to develop additional exhibit enhancements and community involvement opportunities in the exhibit. I think a major opportunity this committee presents is a specific framework to provide direct liaison and future action for economic development in our community, as well as enhancing components of the exhibit. We at the Washington Park Zoo are well skilled in animal management, conservation, and education. We are not, however, specialists in economic development. This committee can provide this special expertise to pursue economic development activities for our community.

GEL:can

cc: Metro Councilors
Friends Board Members
China Committee Members
Mayor Bud Clark