



METRO COUNCIL MEETING

Meeting Summary

Sept. 13, 2012

Metro, Council Chamber

Councilors Present: Council President Tom Hughes and Councilors Barbara Roberts, Carl Hosticka, Kathryn Harrington, Carlotta Collette and Shirley Craddick

Councilors Excused: Councilor Rex Burkholder

Council President Tom Hughes convened the regular council meeting at 2:03 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

Toby Green, LIUNA 483: Mr. Green stated that Metro's seasonal park workers would like to organize and form a union. He stated that job security, healthcare and potential fulltime employment are important to the workers. He indicated that the majority of workers had already signed union representation cards on two separate occasions. He stated that workers have heard reports that Metro will close the Blue Lake season early due to workers attempting to unionize. Mr. Green stated that this sends the message to workers that if you stand up you will be penalized. He asked Metro to: (1) stay neutral on the issue of organizing a union and let the workers decide, and (2) that all workers who wish to be reemployed next year be invited back and not punished for participating in the union organizing drive.

Nancy Shaw, 2707 Falk Rd., Vancouver, WA: Ms. Shaw addressed the Council on elephant captivity at the Oregon Zoo. She encouraged the Council to visit the web site www.elephants.com for more information on the Tennessee Elephant Sanctuary. She was concerned with elephant breeding and the elephants' health and welfare. She also highlighted the recent Supreme Court ruling in Los Angeles which ruled in favor of the defendants. (Written testimony and handouts included as part of the meeting record.)

Mike Brewster, SEIU Local 49: Mr. Brewster stated that he was a member of SEIU and that as a member he and his colleagues receive affordable healthcare and earn fair wages. He encouraged Metro to select a union custodial service for the Metro Regional Center. He also expressed his support for seasonal park workers to unionize with the Laborers Local 483. He stated that strong communities are created when workers earn a decent wage, receive healthcare and are treated with respect.

Courtney Scott, 2106 NE Flanders, Portland: Ms. Scott addressed the Council on the elephant habitat at the Oregon Zoo. She encouraged the Council to release the elephants to the elephant sanctuary approved by voters as part of the 2008 ballot measure. She stated that, to date, the Zoo Bond Oversight Committee had yet to provide concrete plans for purchasing land or establishing an offsite reserve. She stated that the Zoo's 7 elephants are living in conditions equally bad as those at the Los Angeles Zoo; for example she stated that 6 acres of land is not sufficient for 3 elephants let

alone seven. She encouraged the Council to approve an independent veterinarian to review Packy's medical history and determine if he can be removed to a sanctuary. She discussed various health impacts elephants face due to captivity, including stress/head bobbing, standing on hard surfaces, etc. (Written testimony included as part of the meeting record.)

Nancy Newell, 3917 NE Skidmore St., Portland: Ms. Newell addressed the Council on the elephants at the Oregon Zoo. She stated that while she did not believe the issue warranted legal action yet, it was a waste of taxpayer money. She expressed distrust in the government and how Metro handled the voter approved funds for the elephants. She also addressed the elephants' health.

Denine Ateinemann, 5521 N. Commercial Ave., Portland: Ms. Ateinemann addressed the Council on the elephants at the Oregon Zoo. She stated that the public has a right to know where and how funds from the 2008 bond measure are spent. She was frustrated that after nearly four years the public has yet to see a elephant preserve. She quoted an Oregonian article regarding Packy and the planned Asian Elephant Habitat expansion at the Zoo. She believe the elephant preserve would not be built.

Ninette Jones, 7637 N. Interstate, Portland: Ms. Jones expressed her support for unions. She also addressed the Council on the elephants at the Oregon Zoo. She stated that the 2008 bond was sold to the public as the Packy Bond and that urgent action was needed. However, four years later there has been no expansion of the elephant facility. She stated that 1.5 acres are inadequate for seven elephants and could be considered hoarding. Additionally, Ms. Jones noted that the 1.5 acres are divided into small quadrants due to buildings.

Richard Beetle, LIUNA 483: Mr. Beetle spoke in favor of unions and stated that as business manager of Laborers Local 483 he represents 900 members. He encouraged Metro to honor seasonal and temporary employees' ability to organize. Mr. Beetle stated that a community is put at risk when employees are not provided health insurance, sick leave or fair wages. He stated that Laborers Local would partner with Metro to find solutions, new revenue streams and efficiencies.

3. GLEAN. ENVIRONMENTAL ART EXHIBIT (SEPT. 14-30)

Mr. Paul Slyman, Mr. Dave Dutra, and Ms. Amy Wilson provided a short presentation on GLEAN. Formally known as the Pacific Northwest Art Project, GLEAN is an environmental arts and education program managed by Crack Pots in partnership with Metro and Recology. Mr. Slyman of Metro stated that the GLEAN program is about conserving resources for future generations and inspiring new and creative ways to reuse materials. He stated that GLEAN taps into the creative genius of local artists to generate awareness and to prompt people to seriously think about their consumption habits, to consider new and innovate ways to conserve resources, and to initiate a conversation about the region's waste. He stated that residents and businesses in the region generate approximately 2.1 million tons of discards each year.

Mr. Slyman stated that five artists – Andrew Auble, Chandra Glaeseman, Greg Hanson, Jennifer LaMastra and Sarah Newlands – were selected by a jury of arts and environmental professionals to participate in the program. Each artist received a small stipend. The artists had six months to glean materials from discarded waste at Metro's Central Transfer Station. Mr. Dutra of Recology provided some insight as to what the artists go through in order to glean materials. He highlighted that the artists recovered approximately 15,300 pounds of material this year. In addition, Mr. Dutra expressed his support for the project and stated that the art is more than beautiful, it is expressive and informative. He stated that the art helps to convey the message of zero waste and to reduce the regions overall waste stream.

Ms. Wilson briefly shared information on the artists' diverse styles and what visitors can expect to see at the show. The art will be on display at Disjecta art gallery from Sept. 14 to 30, 2012. For more information on GLEAN visit www.oregonmetro.gov or www.gleanpdx.org.

4. **CONSENT AGENDA**

Motion:	Councilor Shirley Craddick moved to approve the consent agenda: <ul style="list-style-type: none">• Consideration of the Minutes for August 16, 2012• Resolution No. 12-4366, For the Purpose of Amending the FY 2012-13 Unified Planning Work Program (UPWP) to Add Funding for the OR 8/47 Intersection Improvement Project.
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Vote:	Council President Hughes and Councilors Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 6 ayes, the motion <u>passed</u> .
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5. **ORDINANCES – FIRST READ**

- 5.1 **Ordinance No. 12-1285**, For the Purpose of Amending the FY 2012-13 Budget and Appropriations Schedule to Provide Funding for Natural Areas Funding Public Involvement.

Second read, public hearing and Council consideration and vote are scheduled for Sept. 20th. Councilor Barbara Roberts was assigned carrier for the legislation.

6. **RESOLUTIONS**

- 6.1 **Resolution No. 12-4365**, For the Purpose of Selecting a Development Team for the Development of the Oregon Convention Center Hotel and Directing Staff to Commence Project Negotiations with Development Team.

Motion:	Councilor Roberts moved to approve Resolution No. 12-4365.
Second:	Councilor Kathryn Harrington seconded the motion.

Councilor Roberts introduced Resolution No. 12-4365 and stated that approval of the resolution would serve as the next step in the evaluation, examination and preliminary negotiations for the possibility of a hotel at the Oregon Convention Center. Councilor Roberts provided a brief recap of the Sept. 4 work session presentation and staff recommendation to select the Mortenson/Hyatt team as the preferred development team. She stated that with this project, Metro would like to create living wage jobs, capitalize on the current favorable construction climate, take advantage of historically low commercial lending rates, leverage the upswing in the hotel market, and address the pent up demand for Portland as a convention destination. Councilor Roberts stated that at Council's direction, staff has accomplished key project objectives:

- Staff has engaged the City of Portland, Multnomah County, Portland Development Commission, business and community leaders across the region, and members of the tourism and hospitality sectors;
- Staff has solicited interest for private sector finance, construction, operation and ownership; and
- Staff has created an evaluation team of public and private experts to conduct due diligence and analysis of the development proposals received in response to the Request for Proposals.

Council President Hughes welcomed Mr. Dan Cooper and Ms. Teri Dresler of Metro and Mr. Scott Cruickshank of the Oregon Convention Center for a brief staff presentation. Dr. Cooper provided a short historical summary of the OCC which was approved by the voters in 1986 and opened in 1990. He stated that the Portland Development Commission created an urban renewal district and set the building of a hotel adjacent to the OCC as its first priority. While hotel capacity was added to the city's downtown throughout the years, no movement was made in developing an OCC hotel until PDC revived the project in 2004. However, due to a series of challenges the project failed. Staff and stakeholders believed it was time to reconsider an OCC hotel; citing a need for a stimulus to help grow OCC business, create new jobs, and stimulate the hotel market.

Mr. Cruickshank stated that Travel Portland has repeatedly stated that the single most important element Portland is missing is a nationally branded hotel adjacent to the OCC that can provide a significant room block dedicated to national conventions. He stated that reports show the Portland region lost 30 convention bookings last year totaling an economic impact of approximately \$35 million. He stated that the Portland area is competing for business with cities such as Austin, Texas and Spokane, Washington.

Ms. Dresler provided background on the evaluation committee and the process the committee went through to evaluate the two proposals: Langley and Mortenson/Hyatt. The evaluation committee was comprised of members from PDC, the City of Portland, Multnomah County, Metro and members of the hospitality community. She stated that there were two primary areas where the proposals were significantly different: (1) the financial plan, and (2) predevelopment cost proposal. Ms. Dresler stated that the Mortenson/Hyatt proposal assumed two large risks: coverage of all of the construction financing and coverage of all predevelopment costs. Additionally, Hyatt agreed to sign a letter of intent to purchase the hotel. Ms. Dresler also noted that the Mortenson/Hyatt proposal contains two options: (1) a campus approach made up of a 400-room block Hyatt Regency Hotel and a 200-room block Hyatt Place Hotel; or (2) a 600-room block Hyatt Regency. Ms. Dresler stated that the evaluation committee unanimously recommended Mortenson/Hyatt as the development team, but did not make any recommendations on which option to select. Although the campus approach was favored by the development team, the evaluation committee questioned whether the package would move the needle on attracting national conventions.

Ms. Dresler reconfirmed that approval of Resolution No. 12-4365 would not approve a specific development proposal, or a work program, or specific financial terms. She stated that Metro is committed to holding negotiations after Hyatt and UniteHere reach a labor peace agreement. Additionally, if approved Metro is committed to a negotiation process that would allow for periodic updates to stakeholder groups and the general public. Staff anticipated Council would consider the negotiated business terms on the proposed project and outside market and industry analyses in December 2013. Pending that action, staff anticipated Council consideration of a development plan and financing agreement in spring 2013.

Council President Hughes welcomed project stakeholders to share comments on Resolution No. 12-4365:

- Eric Jacobson, Portland Development Commission: Mr. Jacobson expressed PDC's support for the resolution. He stated that PDC administers urban renewal plans for its urban renewal areas and that an OCC hotel has been the number one priority for this area. He stated that the goal of the hotel is to attract large national conventions as well as to redevelop some of the adjacent properties to the OCC. Mr. Jacobson stated that PDC has supported the OCC hotel in multiple ways and highlighted PDC's financial contributions. First, that PDC is committed to making their properties – adjacent to the OCC – available for sale at fair market value, and secondly that PDC has budgeted \$4 million to support the establishment of an OCC hotel.
- Jeff Miller, Travel Portland: Mr. Miller expressed Travel Portland's support for the resolution. He stated that travel and tourism in the region account for \$3.8 billion in spending and support over 29,000 jobs. He emphasized that the proposed hotel is a regional asset. He also expressed Travel Portland's desired that the right project be selected – a project that would move the needle for business in Portland and grow convention business. He also briefly spoke to Hyatt's ability to book business and fill the hotel when there are not major conventions in town. Lastly, Mr. Miller shared an e-mail from a potential client stating that Portland was not selected for her company's convention due to the lack of hotel accommodations adjacent to the OCC.
- Roy Jay, Roy Jay Enterprises: Mr. Jay expressed his support for the resolution and stated, "If you build it, they will come." He stated that the proposal presents an opportunity for Metro and partners to build a hotel that the region can be proud of, and that after lots of review the evaluation committee has selected a proposal the committee feels is best for the OCC site and city as a whole. He stated that Travel Portland, the OCC, and his staff would be in Washington, DC in September to encourage meeting planners to come to Portland. Mr. Jay stated that not only "If you build it, they will come," but it could also encourage other developers to build and add hotel capacity. Lastly, he noted that the proposals are low risk and should move forward.
- Lisa Schroeder, Mother's Bistro and Mamma Mia Trattoria: Ms. Schroeder stated that her business and her employees feel the positive effect from tourists and conventions. She supported the resolution and stated that it is time to move forward. She stated that Portland is finally getting attention from the food world and emphasized the importance of keeping the city on the map.
- Bernie Bottomly, Portland Business Alliance: Mr. Bottomly stated that the Alliance was in favor of a financially viable OCC hotel. He stated that the visitor industry is a critical part of the local economy and that convention industry is an important component. He reiterated comments about losing convention business due to the lack of a hotel adjacent to the OCC. He stated that Metro and partners' concept could address the issue and help secure Portland's role as a desirable destination, help the region better compete in the national convention market, and benefit the community at large and economy as a whole. He did however state that it is important that the proposal be carefully vetted to ensure that any financial risk to taxpayers be clearly understood and mitigated. He cautioned that more information is needed to make an informed decision and looked forward to December 2012 when additional information would be available.

- Jodi Guetzloe Parker, Columbia Pacific Building Trade Council: Ms. Parker stated that she represented 26 affiliates and approximately 10,000 members. She expressed her support for the resolution, stating that the project would have a definite impact on construction jobs. She also addressed the positive impacts to local businesses.

Council President Hughes opened the meeting to citizen comment on Resolution No. 12-4365:

- Mark Sherman, Southeast Portland: Mr. Sherman questioned that if there was a need for a hotel – that is a potential money maker – why no developers would build the hotel without a huge subsidy. He was concerned that Metro and partners could directly build a hotel with the money Hyatt is requesting upfront. He also addressed tourists’ desire to eat at low wage food establishments and the predominantly low wage hotel staff positions. He encouraged the Council to hold the resolution until more information on the market analysis was available. He offered to provide additional information if desired.

Councilor Hosticka stated that he would appreciate having any additional information from Mr. Sherman in writing.

- Nischit Hegde, UniteHere Local 8: Ms. Hegde expressed UniteHere’s – which represents hospitality workers in Oregon and Washington state – interest in the OCC hotel project and stated that if done right the OCC hotel could bring more business to Portland. She stated that the project must be done well and that UniteHere would continue to be engaged throughout the process to ensure the project is good for Portland, hotel workers, Metro, Multnomah County and tourists.
- Paul Raynor, UniteHere Local 8: Mr. Raynor stated that he was a server at the Benson Hotel, a union hotel. He stated the biggest difference between union and non-union hotels is workers’ security (e.g. affordable healthcare and living wages). He also noted the experience required when dealing with repeat convention guests who potentially spend millions in the Portland area. He encouraged Metro and partners to build and operate the hotel with union labor.
- Tim Ramis, Jordan Ramis: Mr. Ramis addressed the Council on behalf of a coalition of downtown hotel owners including the Hilton, Westin, Lucia, Governor, Deluxe, and the Benson. He highlighted concerns in the proposal and cited similar experiences by the Nines Hotel, a hotel under the leadership of PDC. He highlighted two key transaction issues with the Nines that he hoped Metro would not experience: (1) unreliable outside projections that were not vetted or peer reviewed by the local hotel industry, (2) failure to have protections in place should the market projections fail. Mr. Ramis recommended 60-days be added to the schedule – prior to Metro and partners’ votes – to allow for a peer review of the new market analysis. He stated that a good proposal in December would be just as good in February 2013. He also recommended a rate floor be included in the term sheet. (Handout included as part of the meeting record.)

Council asked if a rate floor was some percentage of the average daily rate. Mr. Ramis stated that was probably correct and he would be happy to work with staff on this issue. He also noted that evaluation committee member Mr. Wally has a great deal of experience in this area. Additional council discussion included what it means to “take the time to get it right” in terms of vetting and peer reviewing the proposal. Mr. Ramis stated that the important question for Council consideration was if there really exists an expanding market that the

Portland area can compete in. He stated that this question needed to be addressed prior to making an investment.

- John Weigant, 18989 NE Marhe Dr. #15, Portland: Mr. Weigant cautioned the Council about using public funding for the project and believed the private sector had the capacity to build the hotel. He did express support for a privately funded hotel. Mr. Weigant stated that the world has changed; he emphasized sustainability and that conventions were an unsustainable practice (e.g. carbon footprint). He encouraged Metro to explore opportunities for a virtual convention center. He also supported the need for a public review of the market projections and recommended the proposal be vetted with a citizen committee.
- Ron Robbins, Northwest Regional Council of Carpenters: Mr. Robbins stated that he represented 5,000 carpenters in Oregon and noted the challenges the organization and workforce has experienced due to unemployment and the down economy. He supported the resolution, stating that the project would provide both short and long-term jobs. He applauded the courage of Metro and partners to move the project forward.
- Sarah Mensah, Portland Trail Blazers: Ms. Mensah expressed support for the resolution on behalf of the Portland Trail Blazers and Lloyd District Partnership. She believed the hotel could attract larger national and regional conventions, and was in support of a hotel with a minimum 500 room block. She highlighted the NBA's All-Star game as a missed opportunity due to the lack of a hotel. She stated the project was long overdue.
- Norm Curry, Carpenters Union: Mr. Curry, of the Pacific Northwest Regional Council of Governments, represented carpenters and the tradeshow industry in Oregon and southwest Washington. He expressed his support for the resolution citing the jobs the hotel project would create. He also noted that the carpenters have a large national tradeshow convention that is committed to bringing their national tradeshow contract to the Portland area that it would not otherwise consider without a hotel.

Seeing no additional members of the public who wished to testify, Council President Hughes opened the resolution for Council discussion.

Councilors expressed their support for the resolution and stated that the resolution allows Metro and partners to move forward with a proposal that supports the objective of improving the Portland area and state's economy by maximizing public investment in the OCC. Councilors stated that this proposal, compared to proposals from previous years, would be a privately owned hotel that has a public benefit associated with it (e.g. attracting national convention business). Councilors believed a public subsidy was justified since the hotelier might have built a different hotel – with fewer amenities – if it was not for the OCC. Councilors looked forward to next steps in reaching a labor peace agreement, and finalizing the new market analysis. Councilors were also open to having additional people review the analysis. Councilors did state they would compare the size of the public subsidy to the public's benefit. Councilors emphasized the need to protect the public investment and established hotel market.

Vote:

Council President Hughes and Councilors Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 6 ayes, the motion passed.

7. CHIEF OPERATING OFFICER COMMUNICATION

Mr. Scott Robinson of Metro provided updates on the following:

- The final construction bid for the elephant exhibit is scheduled to close on Oct. 12. Staff anticipates a groundbreaking on the new exhibit in a Jan. 2013.
- The Oregon Zoo was recently awarded three awards from the American Association of Zoos and Aquariums for its conservation and environmental efforts.
- On Sept. 13 Metro closed on a 25-acre land acquisition known as the Fields Property in Tigard.
- Blue Lake is still closed to swimmers. Staff recommended park patrons use the spray park instead.
- Staff confirmed the derelict barge, known as the Vancouver Yacht Club, as been disassembled. Logs from the barge have been reused.
- The Portland Center for the Performing Arts celebrated its 25th anniversary.
- Staff and Councilor Craddick's recently toured the Recology facility on Foster Road.

8. COUNCILOR COMMUNICATION

Councilor updates included the Sept. 12 Metro Policy Advisory Committee tour of St. Johns, and Mt. Hood Community College Board of Directors Committee discussion on the development of the new College Nature Park.

9. ADIURN

There being no further business, Council President Hughes adjourned the regular meeting at 3:55 p.m. Council will convene the next regular council meeting on Thursday, September 20 at 2 p.m. at the Metro Council Chamber.

Respectfully submitted,



Kelsey Newell, Regional Engagement and Legislative Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPT. 13, 2012

Item	Topic	Doc. Date	Document Description	Doc. Number
	Agenda	9/13/12	Revised 9/13/12 Council agenda	91312c-01
2.0	Testimony & Handouts	9/13/12	Testimony from Nancy Shaw	91312c-02
2.0	Testimony	9/13/12	Testimony from Courtney Scott	91312c-03
2.0	Testimony	N/A	Written testimony submitted by B. Ellis	91312c-04
6.1	Testimony	9/13/12	Written testimony submitted by Frank Casarez	91312c-05
6.1	Testimony	9/13/12	Written testimony submitted by Tom Drumheller	91312c-06
6.1	Handout	9/7/12	Handout submitted by Tim Ramis	91312c-07