

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING) RESOLUTION NO. 90-1325
COMPLETION OF THE SKYVIEW)
TERRACES AT THE OREGON) Introduced by
CONVENTION CENTER) Executive Officer Rena Cusma

WHEREAS, Resolution 89-1048 passed by the Council of the Metropolitan Service District approved structural and mechanical work for the skyview terraces for the Oregon Convention Center; and

WHEREAS, the Oregon Convention Center is virtually complete and the resolution of remaining claims is anticipated shortly; and

WHEREAS, sufficient funds remain within overall project funding to construct and furnish the skyview terraces; and

WHEREAS, proceeding with construction documents, bidding, and construction will allow the completion of the skyview terraces by late spring of 1991, and minimizes disruption to the users of the convention center; and

WHEREAS, the Advisory Committee on Design and Construction on September 14, 1990, unanimously recommended that work on the skyview terraces proceed; and


WHEREAS, Amendment 18 to the contract with Zimmer Gunsul Frasca authorized the expenditure of funds for preparation of construction documents and required subsequent notice to proceed; and

WHEREAS, a budget footnote to the 1990-91 Adopted Budget reflects the Council's intentions to proceed with the Skyview Terraces once claims are resolved; now, therefore,

BE IT RESOLVED,

That the Council approves the Executive Officer proceeding with completion of the skyview terraces for the Oregon Convention Center.

ADOPTED by the Council of the Metropolitan Service District this 11th day of October, 1990.


Tanya Collier, Presiding Officer

CONVENTION & VISITOR FACILITIES
COMMITTEE REPORT

RESOLUTION NO. 90-1325, AUTHORIZING COMPLETION OF THE SKYVIEW TERRACES
AT THE OREGON CONVENTION CENTER.

Date: October 1, 1990

Presented by: Councilor Knowles

COMMITTEE RECOMMENDATION: At the September 26, 1990 Convention & Visitor Facilities Committee meeting, Councilors Hansen, Knowles, and Van Bergen voted unanimously to recommend Council adoption of Resolution No. 90-1325. Councilors Buchanan and McFarland were excused.

COMMITTEE DISCUSSION/ISSUES: Resolution No. 90-1325 authorizes completion of the Skyview Terraces lounge, at a cost of some \$600,000. Council has reviewed this project in the past, having authorized the structural work in 1989 and including a footnote in the FY 90-91 budget which identified completion of the Skyview Terraces as its second priority for funding if money were available. (See text of footnote below.)

In its discussion of this matter, the Committee asked why the final tenant improvements for this project had to be done now. The response was that a mid-October release of the notice to proceed would mean that construction could take place in January and February of 1991, which is a period of little scheduled activity at the Convention Center and would thus minimize customer inconvenience. In addition, prompt execution of the contract would allow retention of the project architects and construction management personnel who are familiar with the project, while they are still familiar with it.

There is another aspect to the timing question, however, which is related to the project's finances. At the Committee meeting, staff reported that there is a \$2.2 million surplus in the Convention Center Capital Fund. The source of this surplus is higher than expected interest income, which was the result of more cash in the bank earning higher interest rates than projected over the three year life of the project. The timing question revolves around the issue of what to do with the surplus. Should Council authorize completion of the Skyview Terraces now, as envisioned in the Budget Note, or consider the Terraces project as a piece of an upcoming discussion regarding the disposition of the surplus? The Committee chose to proceed as the Budget Note directs, though there was some discussion that budget decisions might have been affected had Council known that more money would be available.

Text of budget note: "First priority for the use of the bond interest earnings remaining (approximately \$2.1 million) shall be settlement of construction claims. Second priority shall be the completion of the Skyview Terraces, provided, however, that expenditure of these funds for such work shall not be authorized by the Executive Officer without the prior approval of the Council, and providing the Council the opportunity to review the status of construction claims."

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 90-1325 FOR THE PURPOSE OF
AUTHORIZING COMPLETION OF THE SKYVIEW TERRACES AT THE OREGON
CONVENTION CENTER

Date: September 18, 1990

Presented by: Bradley /
McFarlane

BACKGROUND AND FACTUAL ANALYSIS:

In July, 1987, the design team led by Zimmer Gunsul Frasca (ZGF) prepared the program requirements for the Oregon Convention Center. Included in the space planning was the concept that convention managers must be able to "attract and hold delegates within the Center as long as possible to increase the likelihood of all exhibits being seen...smaller scale lounge-retreat seating should be provided where delegates can 'close the million-dollar deal', in semi-privacy." The skyview terrace level above the ballroom level suited this function.

When the construction documents were produced in the late spring of 1988, the construction managers and the design team prepared estimates of the cost of general construction. Those estimates indicated that the general construction cost would exceed the amount budgeted. Modifications to the documents, including the deletion of the skyview terraces, were made to allow the base building program to proceed.

In late August, 1989, Council Convention, Visitor, and Spectator Facilities Committee approved Change Order No. 56 in the amount of \$428,017 to the contract with Hoffman/Marmolejo for general construction. This change order authorized the addition of structural steel, fireproofing, and electrical, plumbing, and HVAC modifications for the skyview terraces. Final tenant improvements were not included.

This work has been included in the general contract and paid for with funds budgeted for construction. The 7,000 square foot space presently is unfinished. It consists of two large semi-circles joined by a straight bridge identical to the halls bordering the administrative offices and the back of the ballroom on the level below. Total occupancy is approximately 250.

The design team prepared concept drawings featuring a bar two-steps up against the back wall of the semi-circles and tables along the perimeter. From the terrace, one has a view through the base of the glass towers to the roof and the skyline of the west side of downtown Portland. Beverages and snack foods would be served. The

terrace will be open when functions in the convention center would use it.

In April, 1990, the Metro Council authorized funding of the preparation of construction documents for the skyview terraces in amendment 18 to the contract with ZGF. However, notice to proceed with construction documents was specifically withheld pending greater certainty about claims.

In adopting the 1990-91 budget for the convention center project, the Metro Council added a budget note regarding the appropriation of \$2.1 million in interest on the general obligation bonds. The footnote requires that first priority of the bond interest earnings shall be settlement of construction claims. Second priority shall be the completion of the Skyview Terraces, provided that the Executive Officer not authorize such work without prior approval of the Council.

The Oregon Convention Center schedule allows actual construction of the terraces during the early months of 1991 with minimal disruption of the building activities. With a notice to proceed by early October, the design team could complete the construction documents in time for bidding and selection of a contractor by the end of 1990. The cost of completing the construction and furnishing the terraces is approximately \$600,000.

ADVISORY COMMITTEE ON DESIGN AND CONSTRUCTION RECOMMENDATION:

Upon review of the overall project budget, the Advisory Committee on Design and Construction on September 14, 1990, determined that sufficient funds remain and unanimously recommended that Metro proceed with preparation of construction documents and construction of the skyview terraces at the Oregon Convention Center.

EXECUTIVE OFFICER RECOMMENDATION:

The Executive Officer recommends approval of Resolution No. 90-1325, authorizing completion of the skyview terraces at the Oregon Convention Center.