

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)
\$85,000 IN ADDITIONAL FUNDS FOR)
DUE DILIGENCE PHASE II CONTRACTS)
AND TO AMEND THE BOOR/A)
CONTRACT)

RESOLUTION NO. 91-1393-A
Introduced by Rena Cusma,
Executive Officer

WHEREAS, by Resolution No. 90-1338, the Council of the Metropolitan Service District authorized the execution of a sales agreement for the acquisition of the Sears facility as the site for Metro's administrative offices; and

WHEREAS, Resolution No. 90-1338 authorized alternative contracting procedures for the employment of consultants needed for conducting the due diligence investigation; and

WHEREAS, the Sales Agreement included a provision for a 67 day due diligence period by which Metro would employ a variety of consultants to determine the economic and pragmatic feasibility of the Sears facility as Metro's headquarters; and

WHEREAS, Resolution 90-1357 authorized the amendment of the Sales Agreement to extend the due diligence period until April 30, 1991 to allow Metro additional time to continue and refine the consulting work originating from the initial due diligence period; and

WHEREAS, \$85,000 in additional funds are required to continue due diligence work per the contract items listed in Exhibit A; and

WHEREAS, approximately half of this phase II work will be of on-going value to Metro; and

WHEREAS, an amendment, attached as Exhibit B, is required to the BOOR/A contract to allow continuation of the due diligence architectural work.

BE IT RESOLVED, that the Council of the Metropolitan Service District hereby authorizes the Executive Officer to proceed with additional due diligence contracts as listed in Exhibit A and authorizes the continued utilization of the alternative contracting procedures authorized by Resolution 90-1338.

BE IT FURTHER RESOLVED, that the Council of the Metropolitan Service District, acting as Contract Review Board, authorizes the amendment of the BOOR/A contract to continue the due diligence architectural review of the Sears Building.

ADOPTED by the Council of the Metropolitan Service District this 14th day of February, 1991.



Tanya Collier
Presiding Officer

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

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BE IT FURTHER RESOLVED, that the Council of the Metropolitan Service District, acting as Contract Review Board, authorizes the amendment of the BOOR/A contract to continue the due diligence architectural review of the Sears Building.

ADOPTED by the Council of the Metropolitan Service District this ____ day of February, 1991.

Tanya Collier
Presiding Officer

Exhibit A

SEARS BUILDING PROJECT

Due Diligence Phase II Contract Items/Budget
As of Monday, January 21, 1991

Initial Due Diligence Contracts Status

Amount allocated:	\$65,000
Amount spent to date:	\$56,100
Amount remaining:	\$ 8,900

Phase II Due Diligence Proposed Contracts

BOOR/A amendment to continue architectural work	\$45,500
Independent Cost Estimator	15,000
PFM	25,000
Bond Counsel	5,000
Contingency	<u>3,400</u>
	\$93,900

Less amount remaining from phase I \$ 8,900

Total \$85,000

Exhibit B

AMENDMENT NO. 1

BROOME, ORINGDULPH, O'TOOLE, RUDOLF, BOLES & ASSOCIATES

Contract No. 901-531

The contract between the Metropolitan Service District, hereinafter referred to as "METRO", and Broome, Oringdulph, O'Toole, Rudolf, Boles & Associates (BOOR/A), hereinafter referred to as "CONTRACTOR", to perform architectural analysis of the Sears Building as part of Metro's Due Diligence efforts, Contract No. 901-531, is hereby amended as follows:

The original contract amount of \$9,700 is increased by \$45,500, to the current contract amount of \$55,200.

The Scope of Work is amended as follows:

Additional tasks include:

- 1) Prepare a formal program for all Metro (First Avenue) spaces to be housed in one facility. The program would be useable in any facility and will identify the purpose, function, organization, space relationships, space sizes and needs, and growth potential.
- 2) Prepare limited Concept Design drawings for the Sears Building that indicate a potential design consisting of floor plans, a site plan, and two building elevations or a perspective sketch.
- 3) Prepare additional drawings and material identification of the Sears Building which will verify current costs estimates. This item consists of two building sections, a typical wall section, further development of the atrium, typical corridor treatment, including wall materials, door, and ceilings, and an outline specification identifying assumed materials used to develop costs.
- 4) Prepare a space plan to house a potential tenant in approximately half of the Grand Ave. level of the Sears Building.

All of the additional tasks shall be completed within 6 weeks of Notice to Proceed.

The contract expiration date shall be extended to April 30, 1991.

All other terms and conditions remain in full force and effect.

BOOR/A

Metropolitan Service District

By: _____

By: _____

Date: _____

Date: _____

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 90-1338
THE EXECUTION OF A SALE)	
AGREEMENT FOR ACQUISITION OF)	Introduced by Rena Cusma,
THE SEARS FACILITY, EXEMPTING)	Executive Officer
DUE DILIGENCE CONTRACTS AND)	
BOND COUNSEL SERVICES FROM)	
METRO CODE 2.04.053)	

WHEREAS, By virtue of the laws of the state of Oregon, the Metropolitan Service District (Metro) is authorized and empowered to acquire by purchase, real property or any interest therein for the purpose of providing a metropolitan aspect of a public service; and

WHEREAS, A Relocation Task Force has evaluated Metro's needs for administrative offices and determined that it is in the public interest to purchase an office facility; and

WHEREAS, A survey of available properties and relocation opportunities has been conducted and the Sears facility best suits Metro's needs; and

WHEREAS, A due diligence period of sixty-seven (67) days has been established to perform tests, inspections and feasibility studies on property; and

WHEREAS, Adequate time for a full bid process is not available for the due diligence contract items listed in Exhibit B; and

WHEREAS, Alternate methods for ensuring competition on due diligence contracts will be utilized; and

WHEREAS, It is the intent of the Council to finance the acquisition and renovation of this facility; and

WHEREAS, This acquisition will require staff and other resources to successfully implement; now, therefore,

BE IT RESOLVED,

1. That the Council selects the Sears facility at 524 N.E. Grand Avenue, Portland, Oregon 97232, as the site for Metro's administrative offices.

2. That the Council authorizes the Executive Officer to execute the attached sale agreement and promissory note, Exhibit A for the acquisition of the Sears facility.

3. That the Executive Officer shall immediately proceed with due diligence to determine the suitability of the building for Metro's needs.

4. That the Council hereby states that it is undertaking the acquisition of the Sears facility with the express intent of financing, at some appropriate time in the future, the acquisition, renovation, remodeling and equipping of the Sears facility by means of a lease-purchase transaction, revenue bonds or other appropriate financing vehicle available under applicable law, and that any costs of such acquisition, renovation, remodeling and equipping incurred by Metro prior to the time at which such financing is undertaken will be reimbursed in whole or in part out of the proceeds of such financing.

5. That the Executive Officer is directed to prepare a complete Scope of Work for undertaking the acquisition and renovation of the Sears facility, including staffing and funding requirements.

6. That prior approval of the Council shall be required before the Executive Officer may deposit the cash earnest money deposit provided for in the sale agreement.

BE IT FURTHER RESOLVED,


1. That the Metro Council, acting as Contract Review Board of the Metropolitan Service District, adopts the findings attached hereto as Exhibit C; and

2. That the Contract Review Board hereby exempts the class of due diligence on contracts between \$10,000 and \$31,000 from requirements of Metro Code Section 2.04.053; and

3. That the Contract Review Board directs that for the due diligence contracts attached hereto as Exhibit B, competitive quote procedures specified in Metro Code Section 2.04.052 be utilized as the alternate contracting procedures.

4. That the Contract Review Board hereby exempts from the competitive procurement requirements of Metro Code Section 2.04.053 an amendment to the existing contract for Bond Counsel services with Stoel Rives Boley Jones and Grey as may be necessary for project financing advice and related sources.

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


Tanya Collier, Presiding Officer

JS:sg
October 11, 1990
SEARFAC.RES

STAFF REPORT

CONSIDERATION OF RESOLUTION 91-1393 FOR THE PURPOSES OF AUTHORIZING \$85,000 IN ADDITIONAL FUNDS FOR DUE DILIGENCE PHASE II CONTRACTS TO EVALUATE THE PURCHASE OF THE SEARS FACILITY AND THE AMENDMENT OF THE BOOR/A CONTRACT

Date: January 15, 1991

Presented by: Neil Saling

FACTUAL BACKGROUND AND ANALYSIS

At its December 20, 1990 meeting, the Metro Council approved Resolution 90-1357 authorizing the Executive Officer to amend the previously executed Sales Agreement for the Sears facility to extend the due diligence period until April 30, 1991, and to continue the due diligence evaluation of the Sears purchase. Specifically, the amendment granted more due diligence time in order to continue (1) the architectural analysis; (2) review the initial cost estimates; (3) assess financing uncertainties and risks; and (4) pursue pre-leasing activity of the Sears' tenant space.

Resolution No. 91-1393 acts to authorize spending of an additional \$85,000 during the second phase of due diligence. Exhibit A details this work program. It also acts to authorize an amendment to the BOOR/A contract which would continue the architectural evaluation of the Sears building. The proposed amendment is attached as Exhibit B.

BOOR/A's fee proposal for this additional work is \$45,500. The proposed work includes the preparation of a formal program, continued concept design development and preparation of presentation materials useful for pre-leasing activity. The formal program would be useful to Metro whether Metro moves to the Sears Building, some other facility, or remains at First Avenue. The remaining work is specific to the Sears facility. The continued concept development would result in a more detailed renovation program. This will be used to better define project costs and to market the tenant space. It is anticipated that all work could be completed within six weeks.

The second major phase II activity proposed by project staff is the continued refinement of construction costs. An independent cost consultant would be retained and based on the above described BOOR/A work would more closely evaluate the project construction costs. The cost to perform this work is

estimated to be \$15,000. With this cost information, Metro can better determine the overall financial feasibility of relocating to the Sears Building.

Leasing the Sears excess space and Metro Center space is a third work program element. The phase II budget reflects funds via the BOOR/A amendment for tenant space planning.

A final element of the phase II work program is to establish financing strategy and structure for the acquisition and renovation work. An ordinance authorizing the issuance of bonds and bond anticipation notes has been drafted. Other tasks include preparing a master ordinance, determining revenue capacity for payment of bonds, conducting preliminary rating discussions and preparing documents for marketing the bond sale. Costs for these services are included in the phase II budget.

It is expected that, based on the information realized from this phase II due diligence work program, the Relocation Task Force would make their recommendation regarding the purchase of the Sears Facility by mid March, and allow the Metro Council to act prior to the April 30, 1991 deadline.

RECOMMENDATION:

The Executive Officer recommends approval of Resolution No. 91-1393 by the Metro Council and the Contract Review Board.

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WHEREAS, \$85,000 in additional funds are required to continue due diligence work per the contract items listed in Exhibit A; and

WHEREAS, approximately half of this phase II work will be of on-going value to Metro; and

WHEREAS, an amendment, attached as Exhibit B, is required to the BOOR/A contract to allow continuation of the due diligence architectural work.

BE IT RESOLVED, that the Council of the Metropolitan Service District hereby authorizes the Executive Officer to proceed with additional due diligence contracts as listed in Exhibit A .

BE IT FURTHER RESOLVED, that the Council of the Metropolitan Service District, acting as Contract Review Board, authorizes the amendment of the BOOR/A contract to continue the due diligence architectural review of the Sears Building.

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Tanya Collier
Presiding Officer

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Total \$85,000

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AMENDMENT NO. 1

BROOME, ORINGDULPH, O'TOOLE, RUDOLF, BOLES & ASSOCIATES

Contract No. 901-531

The contract between the Metropolitan Service District, hereinafter referred to as "METRO", and Broome, Oringdulph, O'Toole, Rudolf, Boles & Associates (BOOR/A), hereinafter referred to as "CONTRACTOR", to preform architectural analysis of the Sears Building as part of Metro's Due Diligence efforts, Contract No. 901-531, is hereby amended as follows:

The original contract amount of \$9,700 is increased by \$45,500, to the current contract amount of \$55,200.

The Scope of Work is amended as follows:

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All of the additional tasks shall be completed within 6 weeks of Notice to Proceed.

The contract expiration date shall be extended to April 30, 1991.

All other terms and conditions remain in full force and effect.

BOOR/A

Metropolitan Service District

By: _____

By: _____

Date: _____

Date: _____



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

TO: Metro Council *DCO*

FROM: Donald E. Carson, Council Administrator

DATE: February 13, 1991

RE: Resolution No. 91-1393A Authorizing Funds for Due Diligence Phase II Contracts for District Office Facility

Please find attached a copy of Resolution No. 91-1393A for your consideration at the February 14, 1991 Council meeting under Agenda Item No. 5.1. The amendments incorporated in this revised resolution have been drafted by General Counsel, Dan Cooper, to meet the requirements of the District's Contract Code. The proposed additional work listed in Exhibit A will be accomplished through the extension or use of existing contracts with the exception of the "Independent Cost Estimator", which is a proposed new contract.

Because of the size of the new contract, the Council, acting as the Contract Review Board must exempt the contract from certain requirements of the Metro Code. The proposed amendments accomplish this exemption by reference to Resolution No. 90-1338, which is attached.