

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) RESOLUTION NO. 16-4701
OREGON ZOO BOND)
IMPLEMENTATION PLAN) Introduced by Chief Operating Officer
) Martha J. Bennett in concurrence with
) Council President Tom Hughes

WHEREAS, at the General Election held on November 4, 2008, the Metro Area voters approved Oregon Zoo Bond Measure 26-96, entitled "Bonds to Protect Animal Health And Safety; Conserve and Recycle Water"; and

WHEREAS, in 2010, the Zoo launched the Oregon Zoo Comprehensive Capital Master Plan process, to ensure that the Oregon Zoo Bond Measure is implemented within budget, in a fashion that effectively integrates bond projects with existing exhibits, preserves opportunities for future non-bond funded projects and makes the maximum use of existing and proposed infrastructure; and

WHEREAS, via Metro Council Resolution 11-4292, entitled "For the Purpose of Approving the Oregon Zoo Bond Implementation Plan," the Metro Council approved the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan; and

WHEREAS, the Zoo Bond Implementation Plan contains bond fund allocation project budgets ("Project Budgets") for each Oregon Zoo Bond Measure project. The Education Center construction budget listed in the 2011 Bond Implementation Plan was \$12,773,593. Including project staff and owner's contingency costs, the total Project Budget was established at \$15.4 million; and

WHEREAS, via Metro Council Resolution 15-4655, entitled "For The Purpose of Amending the FY 2015-16 Budget and Appropriations Schedule and FY 2015-16 Through FY 2019-20 Capital Improvement Plan to Provide for a Change in Operations," the Metro Council updated the Capital Improvement Plan, approving the reallocation of \$975,000 in unallocated bond premiums funds to support the vision of the Education Center Project for a current Project Budget of \$16.4 million; and

WHEREAS, Metro received a \$3.48 million premium on its recent \$30 million Zoo bond sale, which taken together with preexisting program contingency funds, results in a total unallocated bond program contingency of \$12.8 million; and

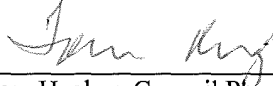
WHEREAS, the 2016 bond premium presents an opportunity to add value to the Education Center by reincorporating elements of the project that were taken out during value engineering, but held in reserve as "Add Alternates," as further described in the attached Staff Report; and

WHEREAS, the 2016 bond premium presents an opportunity to complete Net-Zero Solar Array on the roof of the Education Center, furthering the Metro Council's goal stated in the 2008 Zoo Bond Measure authorizing resolution of "producing substantial energy on-site."

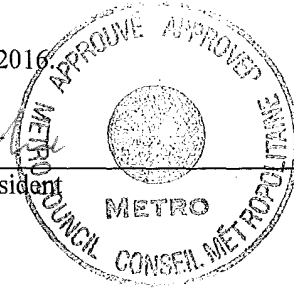
WHEREAS, the collective cost of the Add Alternates and the funds needed to complete the Net-Zero Solar Array of \$1.23 million, if drawn from the 2016 bond premium, will leave \$2.25 million of the premium unallocated; now therefore

BE IT RESOLVED that the Metro Council hereby:
Amends the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan to approve the allocation of \$1.23 million of 2016 bond sale premium funds to the Education Center Project, for a new project budget of \$17,616,635.

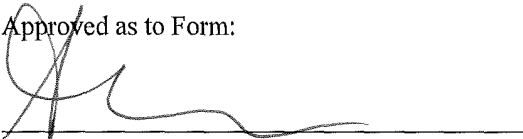
ADOPTED by the Metro Council this 21st day of April 2016.



Tom Hughes, Council President



Approved as to Form:



Alison R. Kean, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 16-4701 FOR THE PURPOSE OF AMENDING THE OREGON ZOO BOND IMPLEMENTATION PLAN

Date: April 11, 2016

Prepared by: Heidi Rahn
503-220-5709

BACKGROUND

Metro received a \$3.48 million premium on the recent \$30 million bond sale. Total unallocated bond program contingency at this time is \$12.8 million, including the recent premium. Executing the zoo Bond Implementation Plan and commitments to the voters with the zoo bond ballot measure are the top priorities for fund allocation. Funding priorities are analyzed and recommended by the Oregon Zoo Bond Steering Group, reviewed by the Oregon Zoo Bond Citizens' Oversight Committee, and approved by the Metro Council.

In order to successfully execute the Zoo Bond Implementation Plan, staff is requesting a budget reallocation to enhance the opportunities for learning at the Education Center and generate onsite renewable energy.

Education Center

As the dignitaries who spoke at the September 1, 2015, groundbreaking ceremony for the Oregon Zoo Education Center said in their remarks, this project is a once-in-a-generation opportunity to create a singular destination for regional conservation education and action. The project has benefitted from the input of numerous stakeholders and regional partners as well as thoughtful leadership that has kept the vision for the Center intact during difficult value engineering discussions.

In the fall of 2015, the project's construction manager/general contractor (CMGC) received construction bids exceeding the construction cost estimate. Upon analysis of the bid results, bond program staff, CMGC and consultants immediately activated the contingency plan of using bid Add Alternates, value engineering measures and post-bid deductions to bring the cost/budget variance down. On November 19, 2015, the Metro Council approved the reallocation of \$975,000 in unallocated bond premium funds to support the vision for the Education Center.

To keep the Education Center project scope within budget, the project team collaborated with architects and the general contractor to identify Add Alternates which did not impact core program elements. As noncritical elements occurring late in the construction sequence, these Add Alternates could be added back into the project as funding allowed. The 2016 bond sale premium is an opportunity to add value to the Education Center project by reincorporating some of these Add Alternates. They include:

- Interpretive experience elements relating to early childhood play/discovery, sustainability around the site and conservation education partner demonstration area.
- Landscape elements for nature play and camps program use, including a fire pit for nighttime activities.
- Covered bike parking for staff.
- Upgraded finishes in the 150-person capacity Conservation Hall event/lecture space.

- Insect Zoo tropical biome tank custom fabrication.
- Additional storage, kitchen equipment and trash enclosures.

Construction is 40 percent complete on the Education Center, and the lead time necessary to reincorporate Add Alternates back into the project necessitates a decision regarding the additional scope. The list of Add Alternates was prioritized and recommended by the Oregon Zoo Bond Steering Group as the scopes of work that added best value back into the project. The value of the Add Alternates list is approximately \$475,000.

To further the Metro Council’s goal of “producing substantial energy on-site” as stated in the 2008 Zoo Bond Measure authorizing resolution, the project team has been working with a number of partners to design and fund a rooftop solar array at the Education Center. The current budget includes \$204,000 from the zoo bond funds to meet the Oregon Department of Energy’s 1.5 percent solar requirement on new capital construction. The project team aims to add to this investment in order for the Education Center to create as much energy as the facility uses (net-zero energy consumption). Local solar panel manufacturer Solar World has partnered with the project to design the array and provide materials at cost. Energy Trust of Oregon is providing funding incentives for design and energy production capacity. And the Oregon Zoo Foundation is working with bond program staff to solicit funding through the zoo’s partnership with Portland General Electric.

The funding gap to complete the net-zero array is \$755,000. Timing is critical due to material lead times as well as the sequence for solar-ready infrastructure that needs to be incorporated into the building during construction. The contractor needs to be authorized to proceed prior to confirmation of additional partner funding. Given conversations with PGE, a longtime sponsor of zoo programs, there is high confidence that some or all of the requested net-zero funding will be granted. To ensure that this renewable energy generation opportunity is not missed, bond program staff is requesting that Council approve the remaining funding for the solar array using a portion of the 2016 zoo bond sale premium. The authorization makes the funds available as needed to complete the net-zero array with the understanding that alternative sources of funding from partners such as PGE may supplant or reimburse the expense. Any reimbursement would restore bond funds displaced to the unallocated contingency.

The outcomes of these additional investments in the Education Center include enhanced opportunities for conservation education and reductions in greenhouse gas emissions and operating costs.

ANALYSIS/INFORMATION

1. **Known Opposition** None.
2. **Legal Antecedents** Metro Code 2.04.054, 2.04.054©; Oregon Revised Statutes 279C.335(4).
3. **Anticipated Effects** Staff feels that the costs are reasonable and necessary for the continued successful execution of the bond promise.
4. **Budget Impacts** Metro received a premium on the recent \$30 million bond sale of \$3.48 million. Total unallocated bond program contingency at this time is \$12.8 million. The requested \$1.23 million budget amendment for the Education Center will be drawn from the 2016 bond premium, leaving \$2.25 million unallocated from the 2016 bond sale premium. This will leave the overall program with \$11.5 million of unallocated contingency for further consideration.

RECOMMENDED ACTION

Authorize allocating \$1.23 million from the 2016 bond sale premium to the Oregon Zoo Education Center budget in support of conservation education and sustainable infrastructure.