



**Oregon Zoo Bond
Citizens' Oversight Committee**
Conservation Hall, Education Center, Oregon Zoo
Wednesday, Feb. 13, 2019
3 to 5 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Feb. 13, 2019
Agenda

AGENDA

ITEM	ACTION	ANNUAL REPORT	LEAD	TIME
A. Welcome / Introductions • Agenda overview • Introductions	Review		Susan Hartnett	3:00
B. Minutes of Nov. 14, 2018, Committee meeting	Approve		Susan Hartnett	3:05
C. Program Status and Financial Information • Reallocation of funds to Polar Passage/Primate Forest/Rhino project and program administration (Metro Council 2-7-2019, Resolution 19-4960)	Discuss	Page 45, 48, 49	Heidi Rahn, Sarah Keane	3:10
D. Monthly Project Status Reports 1. Education Center 2. Polar Passage/Primate Forest/Rhino 3. Interpretive Experience – No report 4. Percent-for-Art – No report 5. Electrical Infrastructure • Lower Service Road Generator Replacement 6. Close-out project: Tree mitigation – No report	Discuss	Page 34 Page 24, 28, 45, 46, 48, 50	Heidi Rahn, Jim Mitchell	3:20
E. Program and Projects Schedule	Discuss		Susan Hartnett, Heidi Rahn	3:30
F. Oversight Committee annual report draft review 2018 Findings and Recommendations • Projects Subcommittee • Finance Subcommittee	Discuss		Susan Hartnett, Emma Stocker, Heidi Goertzen	3:35
G. Zoo and Oregon Zoo Foundation Updates	Update		Don Moore, Julie Fitzgerald	4:45
H. Open Discussion/Questions	Discuss		Susan Hartnett	4:55

Upcoming 2019 meeting dates – Wednesdays, 3 to 5 p.m.:

May 8, 2019 Conservation Hall, Education Center, Oregon Zoo
 Sept. 11, 2019 Conservation Hall, Education Center, Oregon Zoo
 Nov. 13, 2019 Conservation Hall, Education Center, Oregon Zoo



Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Conservation Hall
Wednesday, Nov. 14, 2018
3 to 5 p.m.

MINUTES

MEMBERS PRESENT

Susan Hartnett (Chair)
Dan Aja
Naomi Bishop
Heidi Goertzen
Daniel Hauser
Jill Mellen
Javier Mena
Chin See Ming
Kevin Spellman
Dick Stenson
Emma Stocker
Karen Weylandt

AFFILIATION

Spectator Venues, City of Portland
Banfield Pet Hospital
California State University, Northridge (professor *emerita*)
Confluence Wealth Management
Oregon Center for Public Policy
Research Biologist
Affordable Housing, City of Beaverton
Smith Freed & Eberhard
Spellman Consulting, Inc.
Retired healthcare executive; community volunteer
Emergency Management, Portland State University
Retired from Providence Health & Services

MEMBERS ABSENT

Laurel Brown
Cynthia Johnson Haruyama
Nan Heim
Kate Jones (Resigned 11-14-2018)
Robyn K. Pierce
Katherine A. Porras
Ruth Shelly
Christine L. Taylor

AFFILIATION

Facilities and Property Management, Portland State University
Oregon Japanese Garden
Nan Heim Associates; Oregon Zoo Foundation Board of Directors
Morley Capital Management
Pierce, Bonyhadi & Associates
Meyer Memorial Trust
Portland Children's Museum
Oregon Dept. of Justice (12/19/18: Miller Nash Graham and Dunn)

ELECTED OFFICIALS AND STAFF

Shirley Craddick
Scott Cruickshank
Julie Fitzgerald
Caleb Ford
Kate Giraud
Sarah Keane
Jim Mitchell
Don Moore
Joel Morton
Linnea Nelson
Heidi Rahn
Marcia Sinclair
Grant Spickelmier

Metro Councilor
General Manager, Metro Visitor Venues
Oregon Zoo Foundation Executive Director
Metro Assistant Finance Director
Oregon Zoo Bond Project Manager
Oregon Zoo Finance Manager
Oregon Zoo Bond Construction Manager
Oregon Zoo Director
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Metro Asset Management and Capital Planning Program Director
Oregon Zoo Marketing
Oregon Zoo Education Curator

A. Welcome / Introduction

Susan Hartnett, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:03 p.m., and members and guests introduced themselves.

Chair Hartnett reviewed several member updates. Javier Mena took a new position with the City of Beaverton as affordable housing manager. He will continue serving on the Oversight Committee. Kate Jones took a new job in Los Angeles, so has resigned from the Committee. Chair Hartnett will retire on March 6, followed by six to eight weeks off, and then will continue working half time. She will continue to serve on the Oversight Committee.

Ruth Shelley was not present, but Dec. 31 will be the end of her term on the Oversight Committee. Chair Hartnett and Heidi Rahn will present her later with a framed gift and certificate of appreciation. Members acknowledged Ms. Shelly as a great chair and organized leader who set up the committee to complete its work and process in a successful way. She has been very positive, and did an exceptional job with preparing the annual report and presenting it to the Metro Council. Councilor Craddick also praised Ms. Shelly, and indicated that the zoo Oversight Committee will serve as model for the new Affordable Housing bond oversight committee. Chair Hartnett thanked Ms. Shelly especially for her help with transitioning to chair.

B. Approval of Sept. 12, 2018, Oversight Committee meeting minutes

Members approved the minutes of the Sept. 12, 2018, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

C. Monthly Project Updates

1. **Education Center** – The zoo Education Center recently was earned two sustainable design accolades: It achieved Leadership in Energy and Environmental (LEED) Platinum certification from the U.S. Green Building Council. This is the highest of the council's standards, and is believed to be one of few zoo buildings in the U.S. to achieve Platinum status. The inclusion of the Coffee Crossing café made it even more difficult to achieve Platinum due to its intensive energy usage.

On Nov. 2, the Portland Chapter of American Institute of Architects awarded Opsis Architecture with the Architecture 2030 award recognizing the Education Center's design excellence aimed at reducing greenhouse gas emissions (net-zero energy operations). The support from the Oregon Zoo Foundation securing a grant from the PGE Renewable Development Fund for additional solar panels helped make this possible. Staff are still monitoring for net-zero energy operations, but noted that even with cloudy weather, the Education Center is still producing more power than it is using. Energy use is monitored digitally and reported on a dashboard display. The monitoring for net-zero must continue for a year. So far, sustainability trends are way up with electricity production, with the extra electricity from the Education Center going back out onto the zoo grid. On some days, the electricity produced is 150 percent of what the Education Center is using. Congratulations to the team for these successes.

This week the zoo paid the last bill to Fortis Construction for the Education Center, which triggers a 30-day limit to submit a Construction Management/General Contractor report to the Metro Council, and will be shared with the Committee in December. That contract only had 6 percent in change orders total (with solar panels taken out), which is a very low percentage for such a project.

2. **Polar Passage/Primate Forest/Rhino (PPR)** – The interpretives package is finalized, and a presentation on that will follow later in the agenda. The schedule is still showing some cautions, but that should clear soon. The project has permit intake at the city Nov. 15. Bids for subcontractors for the main project went out today, with bids due Dec. 11. The zoo is required to do a Type II Land Use Amendment for the new planned café and storage building, since the new café is moving 110 feet from its previous location (Bear Walk Café). Demolition of the primate building is in progress and going well. The old polar bear and sun bear habitats have been demolished. This has really changed the zoo central landscape. The demolition ran into a lot of hidden asbestos piping, but expects to have gotten the last of it today. The project is still under budget on that piece.
3. **Interpretive Experience** – The Interpretive project does not include interpretives for PPR, since the PPR interpretives are included with the project design. The remaining work for the Interpretives project is to install a final wayfinding kiosk when PPR is nearly complete, and complete evaluation of PPR interpretives in the year following its opening.
4. **Percent-for-Art** – The commissioned artwork for Polar Passage – the Melting Ice Bear sculpture and two polar bear benches – is still being fabricated by the Dam de Nogales artist team, and is scheduled to be shipped this winter. It will be stored at the Expo Center where the zoo will rent space for it until it is installed in 2020.
5. **Electrical Infrastructure** – The new generator on the Lower Service Road was installed last week. The budget still shows caution due to the low contingency of 6 percent and the unknown amount of damaged underground electrical conduit that will need to be replaced to pull new feeders.

D. Program Status and Financial Information at a Glance

Ms. Rahn reviewed the current budget for Polar Passage/Primate Forest/Rhino, building off of the presentation at the Sept. 12, 2018, Oversight meeting. It was discussed then that the current cost estimate is \$2.3 million over budget. Staff answered questions the Committee raised at that meeting and came up with four possible budget scenarios. Staff previously thought the project would have subcontractor bids on the main project by this meeting, but now will not get bids until Dec. 11. Since the Committee is not scheduled to meet again until February, staff would like guidance now from the Committee regarding what to do in each budget scenario.

Administrative Costs – Also at the September meeting, Caleb Ford presented a draft memo on updated administrative overhead costs, and has now provided a final version of that memo for today's meeting. Zoo bond administrative overhead costs include program administration, bond issuance costs and Metro central services support. Currently \$7.2 million is budgeted, but staff now believe total administrative costs will be \$8.85. That is an increase of \$1.65 million. Part of the increase is due to the program running a bit longer than planned. Mr. Ford noted that the central services allocation is sacrosanct, and all departments have to comply the same.

The bond program pays Metro for its portion of the central services, such as accounting, legal, risk, human resources, Metro Council, etc. Each department within the agency pays its portion of the "pie" based on the same formula. Cost allocation for central service support is proportional to program activity and expenditure levels. Staff recently discovered, however, that one of the prior central services transfers from the bond program was off by a significant amount. Of the \$8.85 million projected for zoo bond administration, the central services transfer is projected at \$5.85 million. In preparation for the end of the program, Metro's finance director agreed to cap that

amount so that it will not exceed \$2.2 million from this point on. This gives the program a high level of confidence that it will not need to change this forecast again.

One caveat is the potential arbitrage liability. Metro issued tax-exempt bonds. Arbitrage is an Internal Revenue Service penalty for when you borrow at one rate and then don't spend the money fast enough and earn interest at a higher rate. This situation has been caused due to the delay in construction. Staff have a current arbitrage rebate estimate of \$56,000, and that is anticipated to increase over the next two years. But the arbitrage is not an issue for the program budget since the program is earning more in interest. So it may be a necessary to tweak the administration budget later when arbitrage costs are fully known. Chair Hartnett asked if the program is reserving money for paying arbitrage. Mr. Ford indicated that the program has adequate resources to pay it, and the liability will never exceed the interest earned.

Kevin Spellman noted that half of the administrative costs are now going to Metro for central services support. In his opinion, perception-wise, in the public's view, that increase is not so good. He does not have any issue with the level of staffing, which he feels is remarkable. But he cautioned that it is important to be cognizant of the perception of repeated administrative cost increases. For sure it is a lesson-learned, and will apply to other bond programs. At 6 percent, it is still within range of other bond programs' administrative spending. But when staff has to keep explaining another increase, he feels that is a problem.

Emma Stocker asked about why the cost allocation is based on a US Department of Transportation, when this is not a transportation project. Classrooms and animal habitats are not the same as transportation. Mr. Ford explained that the formula is not based on transportation, but rather looks at a whole host of items, from which a basis is set. It is applicable to all Metro programs, not just the bond program. For the new Metro affordable housing bond, administrative costs charged to the bond are limited to 5 percent, per the bond measure. Administrative costs above that will be picked up by the Metro general fund resources. The purpose was to create confidence in the public, to approve the bond measure.

Polar Passage/Primate Forest/Rhino Budget Options – Ms. Rahn used a PowerPoint presentation (a copy of which is included with the record) to outline the PPR budget options. Since the project budgets were established in 2011, the program has seen significant construction cost escalation, and it is remarkable that the program has unallocated funds at this late stage. In 2017 the Committee made a recommendation to reallocate a significant portion of the unallocated funds. For that process the Committee established three guiding principles for allocating funds, and those principles still apply to the current allocation process.

She summarized the answers staff provided to the questions from the Sept. 12 meeting. After thorough conversations with the zoo, the zoo wants to make sure all of the habitats get built as designed. Zoo director Don Moore said that if the team value engineers out one more thing from PPR, they will be taking out items for revenue production or animal welfare. So the zoo does not want to cut any more. The zoo is prepared to pick up some of the bond program additional costs, if needed, including the master plan update, land use permit, and any close-out project "fixes" that arise with operation of the new projects. The bond program had allocated \$1 million for a close-out fund to fix items that showed up after operation, but has only spent less than \$25,000 to date.

The total remaining available program resources is \$4.7 million. The new allocation for administrative overhead would use \$1.65 million of that. This would leave \$3.05 million available for allocating to the PPR budget, if needed.

Scenarios – The PPR budget is estimated to be \$2.3 million over the current budget, but since total costs will not be known until after subcontractor bids are received in December and reconciled in early January, staff presented four possible budget scenarios:

Scenario A: Construction cost is within the current budget at \$33 million or less.

Scenario B: Project costs exceed the budget by up to \$3 million, with the costs covered by the \$3.05 bond program resources.

Scenario C: Project costs exceed the budget by up to \$4 million, with the costs covered by the bond program resources and \$1 million from the zoo's Renewal and Replacement Fund for the following year. This would defer all of the zoo's capital repairs for that year.

Scenario D: Project costs exceed the budget by more than \$4 million, with no funding available for costs above \$37 million and requiring scope reductions.

Since Scenario D would require scope reductions, staff hopes to not have to go there. But they have to show that they have a plan for that case. Potential scope reductions, such as the storage building (\$350,000) and café (\$1.5 million), would have dire impacts to the zoo guest experience. The storage building would likely be cut before the café. The previous Bearwalk Café was part of the primate building that has been demolished, so the PPR project is replacing it. When asked if it would be possible to build part of the café, staff said it would be possible to build a shell, or space for food carts.

The bond program does not need to take a formal budget action to use the bond and zoo funds for PPR. Program staff will still go to Metro Council for approval of any reallocation of program resources, but that is a separate process than getting budget appropriation under local budget law.

The PPR project still has 10 percent contingency built into the project budget, and will keep that in contingency. The program has needed that on most of its projects to date.

Mr. Spellman commented on the program resources and proposed administrative reallocation: If the zoo has decided that the current PPR design is what it needs, and it gets to the point of having to cut some scope, it feels like Metro is being held harmless in the process. The \$1.65 million overage for increased administrative overhead is coming out of the building funds, instead of taking it out of Metro. Metro could have budgeted appropriately for central services, and did not. Perhaps the zoo should say to Metro that it needs some of that central services money.

Chair Hartnett said the Oversight Committee could certainly point this out. Mr. Spellman is coming back to his point about public perception and the timing of this administrative increase being a concern. It is potentially taking away from zoo's long-term viability and goodwill with the community.

Joel Morton commented that the zoo is Metro, one and the same. Saying that Metro should pay some of the central service costs may be out of the Committee's charge.

Mr. Spellman further explained that Metro had the opportunity to put an adequate amount in the budget for administration, and did not. Chair Hartnett noted Mr. Spellman's suggestion, and will not exceed the Committee's authority, but will consider how to communicate the concern and recommendation.

Chin See Ming asked about the \$3.05 million available for remaining projects, as noted on the second page of the PPR budget options memo. He asked if it should be \$2.95 million, since some has already been spent on the Close-out fund. Staff agreed that it should be \$2.95 million since the Close-out project budget will remain at \$100,000, although staff expects costs to be less than that. Only \$25,000 has been spent to date.

Councilor Shirley Craddick asked about the zoo being an enterprise fund, and what that means. Mr. Morton explained that it has a different allocation that allows the zoo to keep the money it makes, to save it up for its own capital needs. He said it is not the Oversight Committee's authority to make recommendations on how Metro allocates budgets among other Metro departments.

Scenario D is a difficult scenario, in which there would likely be lots of discussions. There are many things that the zoo and Metro could consider.

Dick Stenson said that the program got to this point with great intentions of the staff, and perhaps it needs to split the difference of the administrative increase with Metro. If it gets to Scenario D, he recommended having conversations to leave the project whole.

Chair Hartnett summarized the options. Scenarios A and B are easy. Scenario C gets into taking funds from the zoo's replacement budget. If it gets to Scenario D, her guess is it will not be a quick check-in with the Committee. But rather, the Committee will need to have conversations, and will want to know that the bond program has scraped the bottom of the barrel before making PPR scope reductions. The issue may need more work before ending up in front of the Metro Council.

Karen Weylandt asked if there is a degree of confidence in general contractor Lease Crutcher Lewis' estimate of \$2.3 million. Jim Mitchell explained that the estimated construction \$2.3 million overage includes the early work package of \$4.75 million. That work came in under budget at bid, and the project is maintaining great allowances on it so far. The main package bid will be about \$28 million. Mr. Mitchell believes the project has a conservative estimate. The project has two bid walks coming up in November, and lots of subcontractors appear interested. He does not think we are seeing any slowdown in the market right now. The project budget includes 3.5 percent construction escalation, and \$800,000 built in for design and engineering contingency. The City of Portland building permit potential delay is sounding less risky. Intake at the city is scheduled for Nov. 15, and staff will know more then. The city did not balk when previously Mr. Mitchell said he would like the permits by January (but now, the project will be submitted much later than planned at the time of that conversation).

Chair Hartnett asked how the PPR project differs from other projects. Mr. Mitchell said it is similar in that it has concrete and steel, prefabricated concrete panels that are brought in, and lots of caging. Local companies do not have the expertise for the specialized caging and are not that interested. The team accounted for that in the budget.

Chair Hartnett asked if members are comfortable enough with the Scenarios. Staff will check in if the bids are in Scenarios A, B and C range. If at Scenario D, it will probably be later in the year to figure out how to keep the project whole without undesirable outcomes. The Committee can have a vote via email in early January, if necessary, after the bids from Dec. 11 have been reconciled.

E. Program Schedule

Some portions of the PPR project will be completed before others. The Rhino habitat is scheduled to be completed in the fall of 2019, the café in December 2019, Primate Forest in August 2020 and Polar Passage in November 2020.

F. Committee Annual Report – subcommittee selection

Chair Hartnett discussed the Committee's annual report to the Metro Council. It is a very important product of the Committee, and will cover the calendar year 2018. She acknowledged staff's help in compiling the committee's input, making it easy for members. In the past, two subcommittees – finance and projects progress – have been formed to write the report. They use the recommendations from the prior report as a guidepost for the next report. Staff prepares a report to track the status and progress on each recommendation throughout the year. Chair Hartnett and Ms. Rahn have also talked about a possible restructure of the report format when the program is moving into a completion stage, potentially creating a short report body with longer appendices. They would like the final report to have a different structure. She suggested going one more year with the current format, but is open to discussing it. If they are going to change the format this year, she would need commitment from members to undertake that change. The past process has been for one to two meetings of each subcommittee. Generally the chair works with the final edits, and staff provides a lot of help. Heidi Goertzen suggested this year cleaning up some of the redundancies in the report.

Members volunteered for the two subcommittees:

Finance: Heidi Goertzen, Daniel Hauser and Javier Mena.

Project Progress: Kevin Spellman, Emma Stocker, Chin See Ming and Naomi Bishop.

Chair Hartnett may or may not attend the subcommittee meetings. Staff will reach out to subcommittee members to schedule meetings, and keep the report preparation moving forward.

Councilor Craddick asked if the Committee has begun to think about recommendations for the future, and not just the next two years. What would you do differently if you were to reorganize this group? Especially since Metro has another bond measure now, it would be helpful to capture that type of info. The Council depends on this Committee as the public persona, and success depends on this Committee. The Council wants it to be successful. The work done on this Committee influences other bond programs, and the Council appreciates the feedback from the zoo Oversight Committee. It would be useful to capture some of that in this process, separate from the formal report, and timely for the new affordable housing bond.

G. Polar Passage, Primate Forest and Rhino Interpretives

Polar Passage – Grant Spickelmier, zoo curator for the Inspiration, Learning and Action team (formerly known as the Education department) reported on the interpretives planned for Polar Passage, Primate Forest and Rhino. The focus of new team name is the same as the focus of the interpretives for these habitats: to help people be inspired, learn and take action. Staff is working with Main Street Design, a consultant on the CLR Design team, to develop the interpretives. Marcia Sinclair from zoo Marketing is also on team, and keepsers that provide lots of content expertise and

experience with the guests and what guests need. (A copy of his PowerPoint presentation is included with the record.) He reviewed the four interpretive themes for the project:

1. Polar bears and their habitats are amazing.
2. Polar bears are struggling with the effects of climate change.
3. Our keepers and bears work together as partners in conservation science.
4. You can make a difference for polar bears.

These are not overtly expressed but what drives the messaging. The team also develops a set of outcomes that will be measured, such as has been done with previous bond projects. Visitors will first see the conservation research center where husbandry and research work are being done to help climate and polar bear scientists to help bears in the wild. The interpretives will show how Oregon Zoo polar bears contribute movement and metabolic data on energy use, and will honor former zoo polar bears Tasul and Conrad with their paw prints. A graphic table will show where in the world polar bears live, and convey that they live on sea ice, and don't live on land that much.

Outside the conservation center will be the *Melting Ice Bear* sculpture being created by the commissioned artist team of Veronica and Edwin Dam de Nogales. It will complement the interpretives and convey an emotion that the world could be losing these bears, but there may still be hope to protect them. The sculpture will be made of aluminum, to tell the story of recycling.

At the deep water pool view, the poles of the viewing structure will be wrapped with images of sea ice creatures, and a wall illustration will show the food web. A display on paddle power will show how it takes a lot more energy for bears to swim than to walk. Swimming for too long can put them into a nutrient-deficit situation, where they are burning more than they are taking in.

The bears' hunting strategy will be shown. Climate change will be explained as a carbon blanket, with a crank that visitors can turn to see the increasing effects. The team is working with the Oregon Museum of Science and Industry using a new technology that will enable visitors to hear the ice cracking and stories from the ice. A smell port will provide an opportunity to connect with the bears. The team did consider the idea of allowing visitors to dump buckets of ice for the bears, but the keepers decided against it due to the cost of making ice and it not being a sustainable practice.

Members asked if staff is concerned that people will put things in the smell port. Staff said it was carefully designed to protect the bears from that. Near the event space, two bear benches, also commissioned artwork from the Dam de Nogales team, will be playful additions.

Primate Forest – Since chimps and orangutans have to live in the trees, the Primate Forest interpretives is all about the trees. And their tree habitat is in danger. The interpretives will have three primary themes:

1. Human caused deforestation is the most significant environmental challenge facing primates around the world. We can make a change!
2. Apes are incredible, intelligent and highly adapted for life in the forest.
3. Oregon Zoo is committed to providing an enriching environment for the primates in our care.

The identity graphic will be built out of wood, possibly from a local company that repurposes tropical hardwood. In the chimp day area will be Meet the Apes information and a life-size graphic

that will be nice for photo opportunities. Visitors will be able to identify and get to know each primate, and the displays will be changeable to reflect changes over time. Another panel will show chimp communication, with sound interaction and facial and body language. Chimps as social and playful creatures will be explained, and the chimps will have mock termite mounds in their habitat. Chimps create nests at night in the trees and will have hammock nests in their habitat. Nests will be provided for young guests to play in.

Orangutans' opposable thumbs and tool making will be shown. Visitors will be able to listen to male orangutans' long calls that can travel a kilometer to declare territory and attract mates. Habitat loss and deforestation will be addressed. The search for hardwoods and palm oil are large drivers of deforestation. Interpretives will give guests concrete things they can do to reduce this impact.

Rhino Habitat – Rhino interpretives will be developed in-house by the zoo. The themes will emphasize the zoo's science-based care for rhinos. Research showed that visitors cannot hear about our conservation work until they are absolutely certain the zoo is taking great care of the animals. The four primary themes will be:

1. Black rhinos at Oregon Zoo thrive under our respectful, science based care.
2. Black rhinos have many amazing adaptations that help them survive
3. Oregon Zoo supports black rhino conservation
4. Our community is working to protect rhinos and other African wildlife from illegal trade

The rhinos will have a mud wallow to stay cool. Interpretives will talk about the rhino horn, how rhinos use it and how the demand for rhino horns is driving them to extinction. Only 5,000 black rhinos remain. A huge black market funding terrorist activity is on the rise, not in decline. Guests will learn what they can do locally to reduce that impact. The annual *Bowling for Rhinos* fundraiser will be celebrated in the interpretives. Since 1990, it has raised \$330,000 in Oregon, and more than \$7 million internationally to protect endangered rhinos. Visitors will be encouraged to get involved.

Jill Mellen commented that the interpretives are so impressive and encourage action, and she can't wait to see them. She suggested using "science" instead of "research" when talking about polar bear conservation, and staff agreed.

One member asked about Jane Goodall who was so influential in the first zoo habitat, and if there would be any chance to learn about Jane Goodall, or be inspired by her. Mr. Spickelmier said that most likely, the interpretives will tell that story. Her early way of working with the chimps is not what the zoo does now, but her story can still be shared. Dr. Moore indicated that the zoo is asking Ms. Goodall for three things: a statement on the zoo's care for primates, information about why she would not choose to be a chimp in the wild, and a presence on the website. The zoo is also reaching out to her team to invite her to the Oregon Zoo for a pub talk to open the habitat.

Julie Fitzgerald reported that OZF will receive a \$100,000 cash gift for Primates in January. The donor was so impressed with the animal welfare aspects of the new habitat.

Karen Weylandt asked about the difference of black and white rhinos. Northern white rhinos are now extinct. Southern white rhinos remain, but black rhinos are more endangered than the remaining whites. The interpretives will have something to show the difference.

H. Zoo Update

Don Moore, Oregon Zoo director, gave an update. He thanked the Committee for its great conversation today on PPR project. Last year Portland Parks and Recreation produced a master plan for Washington Park that talked about having a pedestrian trail along the train right-of-way from the zoo area to the Rose Garden, and the issue of the train has been in the media lately. It showed the trail in place of train. The zoo has a long-term lease on the train tracks, and the zoo will have input on the train and trail. There is a requirement to show a safety assessment of the whole track and train station, and not just the two areas where the tracks have slumped. But the zoo's priority is getting the bond projects done on time.

One of the zoo's African painted dogs recently gave birth to 12 puppies. The first-time mom is taking great care them. Based on the Species Survival Plan national guidelines, the zoo is taking hands-off approach for the first two litters. The zoo plans to bring red pandas back and have them in the previous amur leopard habitat. The zoo is slated to get two new tigers, which may be sisters. The zoo is getting two new lemurs, which are close to the African dogs.

A recent polar bear study came out, a peer-reviewed paper, that showed that swimming for the bears is metabolically more difficult than previously thought. The zoo's own polar bear swim chamber is allowing scientists to better tell the story of the polar bears and their threatened habitat. The zoo will be sharing that message with visitors in the new PPR project.

The zoo is now offering science pub talks each month, with food and drink available. Tonight is one on Condors, and tickets are \$15. ZooLights starts next week and runs until Jan. 5, 2019. Committee members are invited to attend with their families for the employee ZooLights night. The zoo is offering BrewLights for adults on Nov. 27 and 28, with 40 different beer vendors, and attendance capped to keep lines short. He wished everyone a happy thanksgiving with their families.

Julie Fitzgerald reported that OZF is having a great time with fundraising, and going forward, everyone will hear good things about it. Contributors really want animals to have a great habitat.

I. Adjournment

Chair Hartnett adjourned the meeting at 5:07 pm.

Upcoming 2019 meeting dates –Wednesdays, 3 to 5 p.m.:

Feb. 13, 2019 Conservation Hall, Education Center, Oregon Zoo
May 8, 2019 Conservation Hall, Education Center, Oregon Zoo
Sept. 11, 2019 Conservation Hall, Education Center, Oregon Zoo
Nov. 13, 2019 Conservation Hall, Education Center, Oregon Zoo



Oregon Zoo Bond Program
 Project Status and Financial Information at a Glance
 Expenditures and Revenue through December 2018

Oregon Zoo Bond
 Citizens' Oversight
 Committee Meeting
 Feb. 13, 2019
 Agenda item C-1

Program Budgets and Expenditures						Project Budgets	Zoo Bond Fund Expenditures	Nonbond Fund Expenditures	Total Project Expenditures	Project Forecasted Total Expenditures
Construction Projects										
	Pre-Schematic Design	Design Development	Construction Docs	Contracting	Construction					
Veterinary Medical Center	Complete	Complete	Complete	Complete	Complete	\$ 9,464,299	\$ 8,840,329		\$ 8,840,329	\$ 8,840,329
Penguin Life Support System	Complete	Complete	Complete	Complete	Complete	\$ 1,800,000	\$ 1,762,250		\$ 1,762,250	\$ 1,762,250
Water Main Building	Complete	Complete	Complete	Complete	Complete	\$ 267,459	\$ 242,495		\$ 242,495	\$ 242,495
Elephant Lands	Complete	Complete	Complete	Complete	Complete	\$ 57,561,443	\$ 54,147,246	\$ 3,260,000	\$ 57,407,246	\$ 57,407,246
Condors of the Columbia	Complete	Complete	Complete	Complete	Complete	\$ 2,628,592	\$ 2,215,609		\$ 2,215,609	\$ 2,215,609
Remote Elephant Center					Project Eliminated	\$ 117,864	\$ 39,672	\$ 78,191	\$ 117,864	\$ 117,864
Education Center	Complete	Complete	Complete	Complete	Complete	\$ 17,699,157	\$ 15,800,382	\$ 1,613,343	\$ 17,413,725	\$ 17,482,791
Polar Passage/Primate Forest /Rhino	Complete	Complete	Complete	Complete	18%	\$ 43,802,256	\$ 7,405,982	\$ 500,878	\$ 7,906,860	\$ 43,802,256
Electrical Infrastructure					69%	\$ 1,500,000	\$ 1,029,448		\$ 1,029,448	\$ 1,500,000
Close-out Contingency						\$ 1,000,000	\$ 27,097		\$ 27,097	\$ 1,000,000
Interpretives										
	Condors Interp.	Elephants Interp.	Wayfinding							
Program Interpretive Experience	Complete	Complete				\$ 2,766,640	\$ 2,221,359	\$ 301,993	\$ 2,523,352	\$ 2,766,640
			95%							
Percent-for-Art										
	VMC Art	Art Program Planning	East Plaza Art	West Plaza Art	Central Plaza Art					
One-Percent-for-Art Requirement	Complete	Complete	Complete	Complete		\$ 843,154	\$ 687,297	\$ 50,000	\$ 737,297	\$ 843,154
					80%					
Planning Projects										
	Proposals Submitted	Contract Award	Interim Reports	Final Deliverables	Close-out					
Comprehensive Capital Master Plan	Complete	Complete	Complete	Complete	Complete	\$ 1,850,000	\$ 1,691,504		\$ 1,691,504	\$ 1,691,504
Stormwater/ Wastewater Analysis	Complete	Complete	Complete	Complete	Complete	\$ 160,000	\$ 159,979		\$ 159,979	\$ 159,979
Stormwater Minor Projects & Campus Surv	Complete	Complete	Complete	Complete	Complete	\$ 386,797	\$ 386,797		\$ 386,797	\$ 386,797
Land Use Processes										
	Project Scope and Baselines	Technical Studies and Application	Public meetings	Submit CU MS to City for Approval	Land Use Approval Process					
Land Use – New CUMS	Complete	Complete	Complete	Complete	Complete	\$ 796,785	\$ 816,777		\$ 816,777	\$ 816,777
Land Use – Amended CUMS	Complete	Complete	Complete	Complete	Complete	\$ 110,429	\$ 142,617		\$ 142,617	\$ 142,617
Program Administration										
Program Administration, Metro Central Support and Bond Issuance						\$ 7,200,000	\$ 6,119,575		\$ 6,119,575	\$ 7,200,000
Unallocated Program Contingency										\$ 3,695,011
Unallocated Program Contingency										\$ 3,695,011
Expenditure Totals							\$ 103,736,413	\$ 5,804,405	\$ 109,540,818	\$ 152,073,317

Program Resources	Expected Amount	Zoo Bond Fund Revenues Received	Nonbond Revenues Received	Total Revenues Received/Issued	Funds Not Yet Received
General Obligation Bonds, premiums and interest	\$ 142,696,320	\$ 143,001,560		\$ 143,001,560	
Oregon Zoo Foundation	\$ 7,918,000		\$ 6,018,000	\$ 6,018,000	\$ 1,900,000
Grants, donations, rebates and partner investments - Note 1	\$ 1,458,998		\$ 1,458,998	\$ 1,458,998	\$ -
Resource Totals	\$ 152,073,317	\$ 143,001,560	\$ 7,476,998	\$ 150,478,558	\$ 1,900,000



PROPOSED AMENDMENT
for committee recommendation to Metro Council at
the February 7, 2019 Metro Council Meeting

Oregon Zoo Bond Program
Project Status and Financial Information at a
Glance
Expenditures and Revenue through
December 2018

Unallocated Program Contingency is increased by interest earnings, and project savings in art and interpretives. This combined with Close-out Contingency provide sufficient funds to cover \$3.2M project deficit and \$1.65M program administrative cost deficit leaving a projected balance of \$844K in the Close-out Contingency.

Oregon Zoo Bond
Citizens' Oversight
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Program Budgets and Expenditures			Project Budgets	Zoo Bond Fund Expenditures	Nonbond Fund Expenditures	Total Project Expenditures	Project Forecasted Total Expenditures	Proposed Amendment	Updated Projected Total Expenditures
Construction Projects			Construction Docs	Construction					
Veterinary Medical Center	Complete	Complete	\$ 9,464,299	\$ 8,840,329		\$ 8,840,329	\$ 8,840,329		\$ 8,840,329
Penguin Life Support System	Complete	Complete	\$ 1,800,000	\$ 1,762,250		\$ 1,762,250	\$ 1,762,250		\$ 1,762,250
Water Main Building	Complete	Complete	\$ 267,459	\$ 242,495		\$ 242,495	\$ 242,495		\$ 242,495
Elephant Lands	Complete	Complete	\$ 57,561,443	\$ 54,147,246	\$ 3,260,000	\$ 57,407,246	\$ 57,407,246		\$ 57,407,246
Condors of the Columbia	Complete	Complete	\$ 2,628,592	\$ 2,215,609		\$ 2,215,609	\$ 2,215,609		\$ 2,215,609
Remote Elephant Center		Project Eliminated	\$ 117,864	\$ 39,672	\$ 78,191	\$ 117,864	\$ 117,864		\$ 117,864
Education Center	% Complete	Complete	\$ 17,699,157	\$ 15,800,382	\$ 1,613,343	\$ 17,413,725	\$ 17,482,791		\$ 17,482,791
Polar Passage/Primate Forest /Rhino	Complete	18%	\$ 43,802,256	\$ 7,405,982	\$ 500,878	\$ 7,906,860	\$ 43,802,256	\$ 3,200,000	\$ 47,002,256
Electrical Infrastructure	% Complete	69%	\$ 1,500,000	\$ 1,029,448		\$ 1,029,448	\$ 1,500,000		\$ 1,500,000
Close-out Contingency	% Complete		\$ 1,000,000	\$ 27,097		\$ 27,097	\$ 1,000,000	\$ (155,195)	\$ 844,805
Interpretives			Wayfinding						
Program Interpretive Experience	% Complete	95%	\$ 2,766,640	\$ 2,221,359	\$ 301,993	\$ 2,523,352	\$ 2,766,640		\$ 2,550,000
Percent-for-Art			East Plaza Art	Central Plaza Art					
One-Percent-for-Art Requirement	% Complete	80%	\$ 843,154	\$ 687,297	\$ 50,000	\$ 737,297	\$ 843,154		\$ 810,000
Planning Projects			Interim Reports	Close-out					
Comprehensive Capital Master Plan	Complete	Complete	\$ 1,850,000	\$ 1,691,504		\$ 1,691,504	\$ 1,691,504		\$ 1,691,504
Stormwater/ Wastewater Analysis	Complete	Complete	\$ 160,000	\$ 159,979		\$ 159,979	\$ 159,979		\$ 159,979
Stormwater Minor Projects & Campus Surv	Complete	Complete	\$ 386,797	\$ 386,797		\$ 386,797	\$ 386,797		\$ 386,797
Land Use Processes			Public meetings	Land Use Approval Process					
Land Use – New CUMS	Complete	Complete	\$ 796,785	\$ 816,777		\$ 816,777	\$ 816,777		\$ 816,777
Land Use – Amended CUMS	Complete	Complete	\$ 110,429	\$ 142,617		\$ 142,617	\$ 142,617		\$ 142,617
Program Administration									
Program Administration, Metro Central Support and Bond Issuance			\$ 7,200,000	\$ 6,119,575		\$ 6,119,575	\$ 7,200,000	\$ 1,650,000	\$ 8,850,000
Unallocated Program Contingency									
Unallocated Program Contingency							\$ 4,694,805	\$ (4,694,805)	\$ -
Expenditure Totals				\$ 103,736,413	\$ 5,804,405	\$ 109,540,818	\$ 153,073,112	\$ (0)	\$ 152,823,318

Program Resources	Expected Amount	Zoo Bond Fund Revenues Received	Nonbond Revenues Received	Total Revenues Received/Issued	Funds Not Yet Received
General Obligation Bonds, premiums and interest	\$ 143,446,320	\$ 143,001,560		\$ 143,001,560	\$ 444,760
Oregon Zoo Foundation	\$ 7,918,000		\$ 6,018,000	\$ 6,018,000	\$ 1,900,000
Grants, donations, rebates and partner investments - Note 1	\$ 1,458,998		\$ 1,458,998	\$ 1,458,998	\$ -
Resource Totals	\$ 152,823,317	\$ 143,001,560	\$ 7,476,998	\$ 150,478,558	\$ 2,344,760

Interest projections increased by \$750K, increasing the unallocated program contingency from \$3.695M to \$4.7M. Funds are being reserved to account for the anticipated arbitrage liability.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 19-4960, FOR THE PURPOSE OF AMENDING THE OREGON ZOO BOND IMPLEMENTATION PLAN TO ALLOCATE PROGRAM RESERVES

Date: January 24, 2019

Department: Oregon Zoo Bond

Meeting Date: February 7, 2019

Prepared by: Sarah Keane, 503-220-5705, sarah.keane@oregonzoo.org and Heidi Rahn,
503-797-1535, Heidi.Rahn@oregonmetro.gov

Presenter(s): Heidi Rahn, Don Moore, Susan Hartnett

Length: 15 minutes

ISSUE STATEMENT

The Oregon Zoo is confident in its ability to deliver on the public promise to the voters with the 2008 zoo bond ballot measure and complete construction of the final projects. Design of Polar Passage, Primate Forest and the updated rhino habitat is complete and construction bids have been received. The cost to construct the final projects exceeds the currently allocated project funding by \$3.2 million or seven percent. In addition, the updated schedule results in a need for an additional \$1.65 million in program administration and central service support. The team has spent the past year value engineering and reducing scope, resulting in more than \$6 million in savings. The final designs meet the needs of the animals, visitors and staff. Additional reductions would have significant impact on the zoo's business operations and mission focused efforts.

Sound fiscal policy and program management has resulted in funds available to ensure successful implementation of the projects. Program reserves are due to the following:

- Metro Council previously decided to hold program contingency and close out funds should they be needed toward the end of the zoo bond program; and
- Savings from recently completed projects, interest earnings on investments, and a premium on the most recent bond sale have increased the program contingency fund.

ACTION REQUESTED

Staff is seeking support from the Metro Council to allocate available funds and ensure successful completion of the Oregon Zoo Bond Implementation Plan. In addition to the currently allocated project budgets, the zoo bond program has approximately \$5.7 million available in contingency and close out funds to support completion of the program. Staff recommends allocation of \$1,952,000 to the Polar Passage project budget, \$1,248,000 to the Primate Forest project budget, and \$1,650,000 to program administration. After the proposed allocation the remaining balance of the close out funds would be \$844,000. This action meets Metro's guiding principles for the zoo bond fund allocation (see below) and

maintains funds for additional program close out needs (e.g. evaluations, permit reporting, project fixes, etc.).

IDENTIFIED POLICY OUTCOMES

Approval to allocate resources will result in successful implementation of the Oregon Zoo Bond Implementation Plan and completion of the projects outlined in the zoo bond ballot measure.

POLICY QUESTION(S)

Does Metro Council support allocation of available resources to complete the Oregon Zoo Bond Implementation Plan?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

N/A

STAFF RECOMMENDATIONS

Staff recommends that the Metro Council amend the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan to allocate zoo bond program reserves as follows:

- \$1,952,000 to the Polar Passage project budget and \$1,248,000 to the Primate Forest project budget for a total budget of \$47,002,256
- \$1,650,000 to program administration and central service costs for a total budget of \$8,850,000

The remaining balance in the close out fund will be \$844,000. This fund was previously approved by the Metro Council to support program completion and will provide sufficient funding to cover evaluations, required reporting, or other needs in the master plan.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

In 2008, the community supported a public bond that funded eight major projects aimed at improving animal welfare, making the zoo more sustainable and expanding access to conservation education. Five of these projects have been completed and ground has broken on the final three projects - Polar Passage, Primate Forest, and Rhino. The eight projects constitute the first half of work identified in the zoo's 20-year master plan resulting in a remodel of nearly 40 percent of the zoo campus. The final projects are adjacent to one another in the center of the zoo, so the zoo is managing them as a single construction site to reduce construction time, cost and make the whole operation more efficient. These projects will significantly enhance the welfare of polar bears, chimpanzees, and rhinos by removing outdated facilities and replacing them with habitats designed to support social structure, physical needs, and enrichment.

Zoo bond projects support Metro's climate action goals and are designed to achieve or exceed U.S. Green Building Council Leadership in Energy and Environment Design (LEED) Silver certification. The polar bear project will connect to the geothermal "slinky" system installed during the construction of Elephant Lands to exchange heat and cooling between the habitats. Decommissioning the hippo pool as part of the Rhino project will save millions of gallons of water annually. In addition to creating a more sustainable zoo, the

development of these projects provides an opportunity to educate guests about conservation actions they can take to preserve habitat for polar bears, chimpanzees, orangutans, and rhinos.

The charter of the Oregon Zoo Bond Citizens' Oversight Committee calls for the Committee to make recommendations regarding significant project modifications and budget allocation. The committee is currently reviewing the budget allocation request and will make a recommendation to the Metro Council at the February 7 meeting.

BACKGROUND

Background on Polar Passage, Primate Forest, and Rhino Budget, Program Financial Status and Guiding Principles

Due to significant construction cost escalation in the Portland metro region, the cost to construct Polar Passage, Primate Forest and the Rhino habitat exceeds the current combined budget allocation by \$3.2 million or seven percent. In addition, the project schedule will require an extension of project management, administrative, and central service support staff.

The zoo bond program currently has \$4.7 million in unallocated program contingency, due to premiums received on bond sales, project savings and reallocations, interest on investment earnings, and Oregon Zoo Foundation contributions. The program also has \$1 million currently allocated to close out bond-funded projects, resulting in a total of \$5.7 million available in unallocated or close out contingency.

The Oregon Zoo Bond Program's total resources are \$152 million; we have invested nearly \$105 million to date and implemented the first five projects within approved budgets. The scope and budget for each project was originally developed in 2011 as part of the Oregon Zoo Comprehensive Capital Master Plan. Funds were allocated to each project to ensure successful completion. Previous Oregon Zoo Bond Citizens' Oversight Committee recommendation and Metro Council direction was to hold unallocated funds for remaining projects and future planning, as needed. **This wise fiscal planning means that bond program resources are available to cover the estimated remaining project costs.**

Previous Council Actions regarding the project scope and allocations is as follows:

- On Feb. 4, 2016, the Metro Council approved the bond team's recommendation to increase the Polar Passage project budget by \$2.6 million to cover escalation costs exceeding the original estimated escalation.
- On March 16, 2017, the Metro Council approved additional bond fund resources increasing the Polar Passage project budget by \$3,248,334 (\$2,200,000 from OZF and 1,048,334 from the program contingency) and increased the Primate Forest/Rhino project budget by \$2,605,848 to offset escalation costs.
- On April 6, 2017, the Metro Council approved an exemption to competitive procurement by combining Polar Passage and Primate/Rhino projects under the existing design and Construction Management/General Contractor contracts to save

an estimated \$1.3 million in construction costs. Project budgets and schedules have been combined.

The Oregon Zoo Foundation is contributing significantly to support the projects and is fully funding the rhino habitat upgrades.

Administrative costs

Metro's Finance and Regulatory Services team conducted an updated administrative cost allocation forecast to assess the additional administrative and central service costs through the duration of the program. Current estimates are an additional \$1.65 million, which would need to be allocated from the currently unallocated program contingency. The Oregon Zoo's bond program administrative costs (approximately 6 percent of total expenditures) are comparable to other local public bond-funded capital construction programs.

Market conditions

The general contractor received subcontractor bids on the Polar Passage, Primate Forest and Rhino project on December 14, 2018. Cost escalation of 6 percent (second highest in the country) over the past year due to current construction market conditions in the region continues to impact the project. The zoo's 2011 master plan defined our scopes, project sequencing and budgets. Our cost escalation assumption at that time was 6 percent total for these final projects. Today's market has resulted in a regional cost escalation on construction of 27 to 31 percent from 2011-2018.

Guiding principles

The guiding principles to address fund allocations, defined by the Oversight Committee and supported by the Metro Council in 2016, also apply to the current budget consideration:

- Align fund allocation to comply with the requirements and commitments of the original zoo bond ballot measure 26-96 and any other applicable legal restrictions or requirements.
- Recommend fund allocation that aligns with zoo conservation programming, anticipated species focus, and animal welfare priorities to the greatest degree possible and based on the best information available – including the zoo's conservation priorities, zoo staff input, anticipated changes to Association of Zoos and Aquariums standards, financial forecasts, and cost estimates.
- Consider and be sensitive to public perceptions, seek to provide transparency about allocation changes, and highlight "value-added" contributions from nonbond sources.

Remaining resources

The zoo bond program has approximately \$5.7 million available in contingency and close out funds to support completion of the program. Of that, staff recommends allocating \$1,952,000 to the Polar Passage project budget, \$1,248,000 to the Primate Forest project budget, and \$1,650,000 to program administration and central service costs through the

end of bond program construction. After the proposed allocation the remaining balance of the close out funds would be \$844,000, which ensures resources are available to cover final permit reports, project fixes, evaluations, etc.

Project contingency

The Polar Passage, Primate Forest, and Rhino project budgets have significant contingency built into various line items. Staff recommends holding the contractor and owner contingency to manage risk throughout the project.

ATTACHMENTS

Draft resolution

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) RESOLUTION NO. 19-4960
 OREGON ZOO BOND IMPLEMENTATION)
 PLAN TO ALLOCATE PROGRAM) Introduced by Chief Operating Officer
 RESERVES) Martha Bennett with the concurrence of
) Council President Lynn Peterson

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, in September 2011, the Metro Council adopted Metro Council Resolution No. 11-4290 (“For the Purpose of Approving the Oregon Zoo Bond Implementation Plan”) approving and adopting the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan which included, among other things, budgets for the Polar Passage and Primate Forest habitat projects; and

WHEREAS, in November 2011, the Metro Council adopted Metro Council Resolution No. 11-4304 (“For the Purpose of Approving the Oregon Zoo 20-Year Comprehensive Capital Master Plan (CCMP)”), approving and adopting the Oregon Zoo’s Comprehensive Capital Master Plan, which includes the Zoo Bond Implementation Plan; and

WHEREAS, in February 2016, the Metro Council adopted Metro Council Resolution No. 16-4684 ("For the Purpose of Amending the Oregon Zoo Bond Implementation Plan"), approved Metro staff’s recommendation to increase the Polar Passage project budget by \$2.6 million, to account for escalating construction costs; and

WHEREAS, on March 16, 2017, the Metro Council approved the Metro Council Resolution No. 17-4780 ("For the Purpose of Amending the Oregon Zoo Bond Implementation Plan and to Allocate Program Reserves") amending the Zoo Bond Implementation Plan portion of the Oregon Comprehensive Capital Master Plan to allocate Zoo bond program reserves, increasing the Polar Passage project budget by \$3,248,334 (\$2,200,000 from the Oregon Zoo Foundation and \$1,048,334 from the zoo bond program contingency) and increasing the Primate Forest/Rhino project budget by \$2,605,848 to offset escalating construction costs; and

WHEREAS, due to significant ongoing construction cost escalation in the Portland metro region, the cost to construct Polar Passage and Primate Forest habitats further exceeds the current combined budget allocation for the projects by \$3.2 million or seven percent. In addition, the project schedule will require an extension of project management, administrative, and central service support staff, requiring project specific and administrative budgetary adjustments; and

WHEREAS, \$5.7 million remains available in zoo bond program contingency and close-out funds to support completion of the program. Of that, Metro Council wishes to allocate \$1,952,000 to the Polar Passage project budget, \$1,248,000 to the Primate Forest project budget, and \$1,650,000 to program administration and central service costs through the end of bond program construction. After the proposed allocation the remaining balance of the close-out funds would be \$844,000; and

WHEREAS, if approved, this resolution will increase the combined budget for the Polar Passage and Primate Forest project to \$47,002,256, and will increase the total bond program funding allocation for program administration and central service costs to \$8,850,000 million, 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 allocate \$3.2 million of zoo bond program reserves to the Polar Passage and Primate Forest project budget and \$1,650,000 for program administration and central service costs through the end of bond program construction.

ADOPTED by the Metro Council this _____ day of February 2019.

Lynn Peterson, Council President

Approved as to Form:

Nathan Sykes, Acting Metro Attorney



Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Feb. 13, 2019

Agenda item D

Oregon Zoo Bond Citizens' Oversight Committee meeting

Feb. 13, 2019

Agenda Item D. Monthly Project Status Reports

1. Education Center
2. Polar Passage/Primate Forest/Rhino
3. Interpretive Experience – No report
4. Percent-for-Art – No report
5. Electrical Infrastructure
6. Close-out project: Tree mitigation – No report



Oregon Zoo Bond Project Status Report Education Center

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Feb. 13, 2019

Agenda item D-1

Project Title: Zoo Education Center	Project Manager: Kate Giraud
Reporting Period #060/Status Date: January 18, 2018	Project Manager Phone: 503-548-2677
Architect/Engineering Design Consultant: Opsis Architecture	Construction Manager/General Contractor: Fortis Construction
Project Description: The zoo Education Center will be located at the site of the original zoo entrance. It will provide flexible and engaging education program activity spaces for camps, classes, and zoo visitor and program partner use. In addition to the education programming at the Center, the project includes visitor comfort amenities identified for the "West Hub" in the Comprehensive Capital Master Plan, including but not limited to: train ticket sales, restrooms, wayfinding/trip-planning material, seating and food. Finally, this project includes a portion of infrastructure improvement work, identified in the Master Plan, to address storm water and aging site utilities.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs	X		
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Design and Construction Schedule

START DATE		COMPLETION DATE	
ESTIMATED	CONTRACT	ESTIMATED	SUBSTANTIAL COMPLETION
4/21/14	6/25/14	1/3/17	12/28/16

Project Budget and Expenditures

ORIGINAL BASELINE	REVISED BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	ESTIMATED BUDGET VARIANCE
\$12,899,510	\$17,699,157*	\$17,413,725	\$17,482,791	(\$216,366)

* The Education Center budget was updated in December 2017 with all allocated resources. In April 2016 the budget was updated with funding from unallocated bond contingency (authorized by Metro Council) for add-alternate list and net-zero solar energy, plus additional funding for south entry storm pipe construction (co-funded with City of Portland), Metro Resource Conservation and Recycling funds for the Wildlife Garden construction, and previous bond project savings reinvested to meet state solar requirements and security infrastructure.

Summary Status

Milestones/deliverables/information for this reporting period:

- Zoo Marketing staff mounted the Leadership in Energy and Environmental Design (LEED) Platinum plaque at the sustainability counter in the Nature Exploration Station.
- Opsis registered the project for the International Living Future Institute's (ILFI) Zero Energy Building Certification. Bond staff and consultants will be monitoring the building's energy input and output over the next year. Updates will be provided at future Zoo Bond Citizens' Oversight Committee meetings.
- All project expenditures are complete and reflected in this month's financial report.

Planned milestones/deliverables/information for the next reporting period:

- This is the final Education Center monthly report.



Oregon Zoo Bond Project Status Report Polar Passage/Primate Forest/Rhino

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Feb. 13, 2019
Agenda item D-2

Project Title: Polar Passage/Primate Forest/Rhino	Project Manager: Jim Mitchell
Reporting Period #037/Status Date: January 25, 2019	Project Manager Phone: 503-914-6025
Architect/Engineering Design Consultant: CLR Design	Construction Manager/General Contractor: Lease Crutcher Lewis (LCL)
Polar Passage Project Description: The new polar bear habitat is needed to increase access to natural substrate; increase the efficiency of the water-filtration system; reduce temperatures; chill the pool water; and increase both land and pool space. Construct modern natural holding areas with better lighting and ventilation, allowing better care for the animals. Space requirements, water quality and housing conditions will meet or exceed the Manitoba Protocols established for zoo polar bears. New utilities will complete the system upgrade installed with previous bond-funded projects. Guest services will be enhanced at the new central plaza.	
Primate Forest/Rhino Project Description: The current schematic design demolishes the existing building (except for the newer Red Ape Reserve) and rebuilds on the current primate site for chimpanzees. Orangutans will live in the existing Red Ape Reserve. The Metro Council approved the project scope modifications on March 16, 2017. Rhino habitat: Remove the hippo dump-and-fill pool, remove the barrier between the rhino/hippo habitats and re-grade both habitats for rhino use only.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget		X	
Schedule and signoffs		X	
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Design and Construction Schedule

START DATE		COMPLETION DATE	
ESTIMATED	CONTRACT	ESTIMATED	SUBSTANTIAL COMPLETION
05/2016	6/2016	11/2020	TBD

Project Budget and Expenditures

ORIGINAL BASELINE	REVISED BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	ESTIMATED BUDGET VARIANCE
\$34,348,074	\$43,802,256*	\$7,405,982	\$43,802,256	\$0

*On Feb. 4, 2016, the Metro Council approved the bond team's recommendation to increase the Polar Passage project budget by \$2.6 million to cover escalation costs exceeding the original estimated escalation.

On March 16, 2017, the Metro Council approved additional bond fund resources increasing the Polar Passage project budget by \$3,248,334 (\$2,200,000 from OZF and 1,048,334 from the program contingency) and increased the Primate Forest/Rhino project budget by \$2,605,848 to offset escalation costs.

On April 6, 2017, the Metro Council approved an exemption to competitive procurement by combining Polar Passage and Primate/Rhino projects under the existing design and Construction Management/General Contractor contracts to save an estimated \$1.3 million in construction costs. Project budgets and schedules have been combined.

In August 2017, the Nancy Parr estate donation of \$237,333 for Primate Forest was added to the project budget.

On October 5, 2017, OZF approved \$750,000 (including the \$237,333 Nancy Parr estate donation) for Primate Forest and \$250,000 for Rhino.

On April 5, 2018, OZF approved redirecting \$500,000 previously committed for Polar Passage maternity den (which will not be built in this phase) to fund the rhino habitat project in total, \$750,000. Bond funds previously allocated for the rhino project will be redirected to the Polar Passage project.

Critical Issues

Schedule: The construction schedule in Status at a Glance is showing a “caution” due to the following:

- Unknown timeline related to permit review on the main project. Recent estimates are six to seven months; the construction schedule is showing five months.
- Schedule delays due to the estimates coming in over budget, the efforts and time needed to reconcile the estimates, and the extensive value engineering process. Once the permit timeline is established, the schedule will be updated with a new Substantial Completion Date.

Budget: The Budget in Status at a Glance is showing “caution” due to the following:

- Construction cost escalation and limited contractor/workforce availability have impacted the budget.
- Any additional scope reduction will not meet the zoo’s goals for the project.
- If/when a budget allocation from the Bond Program Contingency to the project is approved, the Budget will return to green.

Summary Status

Milestones/deliverables/information items for this reporting period:

- Subcontractor bid review and buyout is complete, and the project is \$3.2 million over budget.
- The Bond Steering Group has approved recommendation to transfer \$3.2 million from the program contingency to the PPR project budget.
- The Type II Amendment to the Conditional Use Master Plan has been approved with no conditions. The timeline for public comment ends February 5.

Construction progress:

- All demolition is complete and site grading is underway.
- Permit review is in progress and check sheets are being received and responded to.

Planned milestones/deliverables/information for the next reporting period:

- Complete negotiations on the Guaranteed Maximum Price and Substantial Completion date.
- Present a recommendation to the Zoo Oversight Committee to reduce the program contingency and add \$3.2 million to the PPR project to cover the budget shortfall. The recommendation, if approved, will be presented to the Metro Council on February 7.
- The City permit review team has been invited to visit the site January 30 and ten staff have accepted the appointment.



Oregon Zoo Bond Project Status Report Electrical Infrastructure

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Feb. 13, 2019

Agenda item D-5

Project Title: Zoo Electrical Infrastructure	Project Manager: Lydia Neill Report by: Jim Mitchell						
Reporting Period #20/Status Date: January 25, 2019	Project Manager Phone: 503-220-2794						
Architect/Engineering Design Consultant: Sazan Group Engineering	General Contractor: High Point Construction, Tice Electric						
<p>Project Description: The Electrical Infrastructure project replaces two outdated emergency power generators and associated electrical infrastructure critical to servicing animal areas and supporting animal and guest safety. It includes six subprojects – each with its own scope, schedule and budget – that are being managed by zoo Facilities Management and paid with zoo bond funds, per a signed Memorandum of Understanding with the zoo bond program. The final two projects are being overseen by the zoo bond construction manager, due to their complexity and scale:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">1. Lower Service Road Feeders</td> <td style="width: 50%;">4. Animal Nutrition Center Panel Replacement</td> </tr> <tr> <td>2. Roundhouse Automatic Transfer Switch</td> <td>5. Middle Service Road Feeders</td> </tr> <tr> <td>3. AfriCafé Panel Replacement</td> <td>6. Generator Replacement</td> </tr> </table> <p>This project was added to the bond program by the Metro Council on March 16, 2017.</p>		1. Lower Service Road Feeders	4. Animal Nutrition Center Panel Replacement	2. Roundhouse Automatic Transfer Switch	5. Middle Service Road Feeders	3. AfriCafé Panel Replacement	6. Generator Replacement
1. Lower Service Road Feeders	4. Animal Nutrition Center Panel Replacement						
2. Roundhouse Automatic Transfer Switch	5. Middle Service Road Feeders						
3. AfriCafé Panel Replacement	6. Generator Replacement						

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget		X	
Schedule and signoffs		X	
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Design and Construction Schedule

START DATE		COMPLETION DATE	
ESTIMATED	CONTRACT	ESTIMATED	CONTRACT
9/1/16	various	10/31/18	3/31/19

Project Budget and Expenditures

ORIGINAL BASELINE	REVISED BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	ESTIMATED BUDGET VARIANCE
\$1,500,000	\$1,500,000*	\$1,029,448	\$1,500,000	\$0

*In March 2018, the project budget and estimate at completion were updated to reflect the removal of \$576,600 in resources from Portland General Electric; this amount was previously added to fund upgrades to zoo generators for Dispatchable Service Generation participation, but DSG costs exceeded the project budget and DSG was removed from the project scope.

Critical Issues

- Budget: The budget shows caution due to the contingency amount at 1 percent.
- Schedule: The schedule shows caution due to the revised Substantial Completion Date. The new estimated date is March 31, 2019. This date is being confirmed.

Summary Status

Milestones/deliverables/information for this reporting period:

- Zoo Facilities Management continues to manage the generator replacement and Middle Service Road feeders project (now combined), with oversight from the zoo bond Construction Manager Jim Mitchell, due to the project complexity and scale.

Electrical Infrastructure

- The generator has been tested and inspected by the Fire Marshall.

Planned milestones/deliverables/information for the next reporting period:

- Complete low voltage cable installation and main electrical feeder installation.
- The Substantial Completion date has been revised to March 31, 2019, estimated, due to installation of new conduits in the Middle Service Road, rather than taking on the risk of using existing infrastructure, which has degraded over the years.



PROJECTS SCHEDULE
Oregon Zoo Bond Program
 As of Jan. 14, 2019

Oregon Zoo Bond Citizens'
 Oversight Committee Meeting
 Feb. 13, 2019
 Agenda item E

Task Name	Start	Finish	2019				2020				2021						
			Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2		
Projects Schedule																	
Water Main Building	10/1/09	1/13/21															
Veterinary Medical Center	10/26/09	7/29/11															
Veterinary Medical Center	11/12/09	1/24/12															
Land Use Permits	3/16/10	1/28/13															
Comprehensive Capital Master Plan	6/2/10	11/3/11															
Penguinarium Filtration	11/1/10	2/29/12															
Condors of the Columbia	7/25/12	3/4/14															
Elephant Lands	11/7/11	12/7/15															
Percent for Art	10/1/09	6/25/20	Percent for Art														
VMC Commissioned Art	10/1/09	1/24/12															
Art Conservation/Remove-Relocate Art	5/16/12	6/30/18	Art Conservation/Remove-Relocate Art														
Major Art Commission #1 (Elephant Lands)	5/13/13	9/30/15															
Major Art Commission #2 (Education Center)	4/1/14	11/30/16															
Major Art Commission #3 (Polar Passage)	3/1/16	6/25/20	Major Art Commission #3 (Polar Passage)														
Interpretive Experience	3/19/12	9/25/20	Interpretive Experience														
Interpretive Roadmap	3/19/12	9/30/12															
Condors of the Columbia Interpretives	6/14/12	3/7/14															
Elephant Lands Interpretives	6/25/12	11/13/15															
Wayfinding Design/Solicitation	3/17/14	12/31/15															
Wayfinding Construction/Install Pylons/4 Kiosks	1/2/16	6/28/17															
Wayfinding Install Central Plaza Kiosk; Post-construction	8/3/20	9/25/20															
Education Center	3/21/13	6/30/17	Education Center														
Early Demolition	3/21/13	6/12/13															
RFP Design	1/21/14	4/18/14															
Design	4/21/14	9/11/15															
Construction	9/15/15	12/28/16															
Post Construction	12/29/16	6/30/17															
Polar Passage/Primate Forest/Rhino	2/9/16	1/13/21	Polar Passage/Primate Forest/Rhino														
RFP Design	2/9/16	6/20/16															
Polar Passage Design	6/21/16	5/13/18	Polar Passage Design														
Primate Forest/Rhino Design	11/17/16	8/31/18	Primate Forest/Rhino Design														
Construction	6/4/18	11/13/20	Construction														
Post Construction	11/16/20	1/13/21	Post Construction														
Electrical Infrastructure	10/6/16	12/5/18	Electrical Infrastructure														