

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

July 9, 1987
Regular Meeting

Councilors Present: Mike Bonner, Tanya Collier, Larry Cooper,
Tom DeJardin, Jim Gardner, Gary Hansen,
Sharron Kelley, Corky Kirkpatrick, David
Knowles, Mike Ragsdale, George Van Bergen
and Richard Waker

Also Present: Rena Cusma, Executive Officer

Staff Present: Ray Phelps, Kim Duncan, Ray Barker, Donald
Carlson, Jennifer Sims, Tuck Wilson, Unette
Worley, Neil McFarlane, Vickie Rocker and
Janet Schaeffer

Presiding Officer Waker called the meeting to order at 5:45 p.m. He announced that the Executive Session scheduled for the end of the meeting would take place before consideration of Item 10.3.

1. INTRODUCTIONS

None.

2. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

3. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

4. COUNCILOR COMMUNICATIONS

Proposed Convention Center Commission. Councilor Ragsdale, Chair of the Council Convention Center Committee, reported the Committee met earlier in the day to discuss the proposal for a regional convention center commission. He asked if the Council preferred the Committee review draft enabling legislation and make a recommendation to the full Council, or if the Council wished to review all draft legislation.

Councilor Kirkpatrick suggested Councilors could be involved in the process if they were given agendas and materials in advance of Committee meetings. She thought establishing a commission would be the most important action the Council would take regarding the long-term operation of the convention center. She stressed the importance of keeping the Council involved and informed during all stages of the legislative process.

Presiding Officer suggested the Council generate a paper which would discuss the full spectrum of ideas, poll the Council on preferred

options, meet with the Executive Officer regarding her preferences, and then appoint a committee to recommend a course of action to the Council. No one objected to this course of action.

Councilor Knowles requested Bob Ridgley, Committee on Regional Convention, Trade, and Spectator Facilities (CTS) Chair, present the CTS Committee recommendation to the Council in the near future. Councilor Kirkpatrick said she preferred the CTS Committee not present a recommendation at this time as not to preempt options. The consensus was the CTS Committee give their recommendation at a later date. Executive Officer Cusma agreed to discuss the Council's wishes with Mr. Ridgley.

5. EXECUTIVE OFFICER'S COMMUNICATIONS

5.1 Legislative Update. Kim Duncan, legislative representative, reviewed her written report. Regarding legislation calling for an interim study of Metro, she explained Metro would be required to present a study plan before the Emergency Board early in the fall. Executive Officer Cusma added she would soon meet with Senator Glenn Otto to discuss the scope of the study and Metro's presentation to the Board.

6. CONSIDERATION OF MINUTES

Motion: Councilor Gardner moved to approve the minutes of June 11, 1987. Councilor Kirkpatrick seconded the motion.

Vote: A vote on the motion resulted in all twelve Councilors present voting aye.

The motion carried unanimously and the minutes were approved.

7. OREGON CONVENTION CENTER DESIGN FORUM III: PUBLIC HEARING AND REVIEW OF SCHEMATIC DESIGN

Tuck Wilson, Convention Center Project Director, explained this hearing was one of several in which the public would have an opportunity to comment on the recommended Oregon Convention Center design. He then introduced Tom Walsh and Harriet Sherburne, Convention Center Design Committee Chair and Vice Chair, who would present the Committee's recommendation.

Mr. Walsh and Ms. Sherburne discussed the process for refining the convention center design. They explained the Committee's objectives were to design a pleasant, efficient facility that would be a significant contribution to the environment, to Portland and to Oregon. The Center should also be the catalyst for change on the east side of the Willamette River. They were pleased that the recommended design accomplished those goals.

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Mr. Walsh discussed the estimated construction budget and reported that Turner Construction Company, the consulting firm hired to oversee construction of the facility, had submitted a construction estimate very close to the architect's estimate. He also explained that certain features had been singled out as add-ons to or deductions from the basic facility in order to provide more flexibility, depending on the amount of low base construction bid.

Ms. Sherburne described design features that would make the Oregon Convention Center a gracious and memorable facility. Those features had been accomplished by careful planning and would not increase the project budget.

Mr. Walsh introduced Bob Frasca, the principal project architect. Mr. Frasca presented a series of slides and explained how the proposed design would provide a facility to enhance the site, and how it would be oriented to downtown Portland, the Coliseum and MAX light rail.

Presiding Officer Waker opened the public hearing.

Jack Dentrosic, President of the American Society of Training and Development, testified the facility design would not accommodate large conferences. The Presiding Officer explained the Oregon Convention Center was designed for smaller conventions.

David Utzinger, Board Member, Radio Cab Company, asked if facility planners were working with the City of Portland to plan traffic circulation. Presiding Officer Waker explained the City, through the Portland Development Commission, had conducted a study to address traffic and pedestrian considerations. Larry Bruten, project architect, also reported the study was available for Mr. Utzinger to review and that local taxi companies had participated in ongoing planning meetings. He invited Mr. Utzinger to contact the project office for a schedule of future meetings.

Pauline Goldstein, 80 Tanglewood Drive, Lake Oswego, Oregon 97035. Presiding Officer Waker read a letter from Ms. Goldstein: "Portland was blessed with a view of nature's landmarks. KOIN Tower obliterated the view of Mt. Hood for many. We do not need to destroy the view of the beauty surrounding us to simply identify the location of the convention center. Drastically reduce the size of the towers, or better yet, remove them altogether!"

Nancy Chase. Councilor Kelley said she had received a letter from Ms. Chase requesting the convention center provide child care. Ms. Chase thought this would be a unique marketing opportunity and would enhance the image of Portland as a family-oriented community.

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Councilor Van Bergen said he had received a telephone message from a constituent regarding the convention center which he had submitted for the record.

There was no further testimony and the Presiding Officer closed the public hearing. He asked for comments from Councilors on the proposed design. No comments were received and the Presiding Officer announced the Council concurred with the recommended design.

In response to Councilor Gardner's question, Mr. Frasca explained the design had not included provisions for day care because retail space had been reduced to accommodate lobby and ballroom features. If, however, the Council determined that day care should be part of the program, space could be found.

Ms. Sherburne said privately owned child care facilities were located near the convention center site and conventioners could certainly use those facilities. She further explained that because the convention center was not a year around business, it would be difficult for a child care provider to operate a profitable facility on-site.

An unidentified man urged the Council to listen to public testimony received and to investigate providing child care at the convention center.

8. REPORT ON THE OREGON CONVENTION CENTER PUBLIC ART PROGRAM

Tuck Wilson explained the Council had adopted Ordinance No. 87-215 and Resolution No. 87-717 which established the One Percent for Art Program and guidelines. Councilor Knowles had been appointed as Chairman of the Advisory Committee to administer the \$475,000 art program for the Oregon Convention Center per the Council-adopted guidelines.

Councilor Knowles then described the Advisory Committee's activities to date and introduced other committee members: Larry Kirkland, representing artists; Carol Edelman, Metropolitan Arts Commission; Robert Frasca, project architect; and Tuck Wilson, Executive Officer's representative. Per an intergovernmental agreement with the Metropolitan Arts Commission, Catherine Gleason would serve as the Advisory Committee coordinator. He reported the Committee had developed a "procurement" process for art which would include: developing a reference list of artists; selecting four to six finalists; soliciting proposals from artists for how art could be incorporated into the facility; and using those ideas to implement a competitive process for final selection of artists and artworks. Councilor Knowles emphasized the process would involve early

cooperation between the architects and artists in order to include unique design features into the facility.

9. ORDINANCES

9.1 Consideration of Ordinance No. 87-224, for the Purpose of Waiving Metro Code Section 3.01.020(d) for Contested Case No. 87-2: Angel (First Reading and Public Hearing)

The Clerk read the ordinance a first time by title only.

Jill Hinckley, Land Use Coordinator, presented staff's report. She explained the Metro Code provided: "No petition will be accepted under this chapter if the proposed amendment to the UGB would . . . create an island of non-urban land within the UGB." Joseph Angel, property owner, had requested the Council waive that provision in order to allow him to submit a petition to the Council for locational adjustment of the UGB.

Councilor Van Bergen asked if the Council had the authority to grant such a waiver. Ms. Hinckley said it was her understanding any action made by ordinance could be waived by ordinance. The Council would not be waiving the provisions of Code Section 3.01.020(d) by adopting Ordinance No. 87-224, she said. Rather, it would be waiving that provision for the Angel case. Future parties could appeal for a similar waiver and the Council would evaluate each petition on a case-by-case basis.

Motion: Councilor Cooper moved, seconded by Councilor Kirkpatric, to adopt Ordinance No. 87-224.

Presiding Officer opened the public hearing.

Steven Janik, an attorney representing the applicant, Joseph Angel, requested the Council support staff's recommendation and adopt the ordinance. He explained the existing UGB had actually created the unique land situation and no new island of non-urbanized land would be created if the waiver were granted. The UGB boundaries were within 500 feet of each other and city water lines already served his client's property, he reported.

Councilor Knowles asked staff to explain why the Metro Code prohibited the acceptance of applications for UGB locational adjustments when an island of non-urban land would be created. Ms. Hinckley reported that such a condition would be illegal under the Statewide Land Use Planning Goals. However, she said, the Angel case, being a unique situation, was not in violation of the land use goals. She suggested the Council consider revising its Ordinance for cases such as the Angel property.

Councilor Van Bergen said although he favored granting the waiver to Mr. Angel, he recalled that similar waivers had not been granted other petitions. He questioned whether granting this waiver would effect other cases. He had also seen the Angel property and did not think it urban land as Mr. Janik had described.

Richard Botteri, acting General Counsel, advised the Council to adopt a ordinance at some future time that would establish a uniform process by which all applicants could petition for minor locational adjustments. In answer to Councilor Knowles question, he explained that by adopting Ordinance No. 87-224 the Council might be faced with other requests for waivers, but the Council could consider each waiver on a case-by-case basis.

Councilor Van Bergen suggested staff prepare a case law portfolio on UGB cases so the Council could consider UGB matters with consistency.

There being no further testimony, Presiding Officer Waker declared the public hearing closed. He announced a second reading of the Ordinance would take place on July 23, 1987.

10. RESOLUTIONS

10.1 Consideration of Resolution No. 87-781, for the Purpose of Appointing First Interstate Bank of Oregon, N.A. as Co-Registrar and Co-Paying Agent for \$65,000,000 Convention Center General Obligation Bonds

Ray Phelps, Director of Finance & Administration, introduced Rebecca Marshall, Vice President of Government Finance & Associates. He then reviewed the process for selecting a co-registrar and co-paying agent as discussed in staff's written report. A chart in the staff report listed criteria by which various banks were evaluated and how each proposal was rated.

Motion: Councilor Ragsdale moved Resolution No. 87-781 be adopted and Councilor Kirkpatrick seconded the motion.

In response to Councilor Kelley's question, Ms. Marshall explained that First Interstate's bid was very low because they were anxious to work on the project. They had excellent name recognition -- an important factor for nation-wide bond sales -- and a good track record, she said.

Vote: A vote on the motion resulted in all twelve Councilors present voting aye.

The motion carried unanimously.

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10.2 Consideration of Resolution No. 87-782, for the Purpose of
Appointing First Interstate Bank of Oregon, N.A. as the Trustee
of Construction and Debt Service Funds for \$65,000,000
Convention Center General Obligation Bonds, Series 1987

Ray Phelps, Director of Finance & Administration, reported that in order to comply with all the applicable bond covenants in investing bond proceeds, and in order to comply with the nre requirements of the Internal Revenue Code of 1986, Metro had to thoroughly track and monitor investment yields paid to bondholders. Staff recommended contracting with an outside financial institution which would result in a considerable cost savings to Metro.

In response to Councilor Kirkpatrick's question, Rebecca Marshall, Vice President of Government Finance Associates, explained that staff had analyzed the proposals of the three firms quoting the lowest costs for services. First Interstate had offered to provide more services than the other proposers.

Motion: Councilor Ragsdale moved Resolution No. 87-782 be adopted. Councilor Kelley seconded the motion.

Vote: A vote on the motion resulted in all twelve Councilors present voting aye.

The motion carried and Resolution No. 87-782 was unanimously adopted.

Presiding Officer Waker called a recess at 7:55 p.m. The Council reconvened at 8:00 p.m.

EXECUTIVE SESSION

At 8:00 p.m., the Presiding Officer called the meeting into executive session under the authority of ORS 192.660(1)(e) for the purpose of discussing real property transactions. The meeting was called back into regular session at 8:30 p.m.

Motion: Councilor Ragsdale moved, seconded by Councilor Gardner, to authorize the Portland Development Commission (PDC) to acquire the Kalberer and Enebo properties for the Oregon Convention Center for the amounts recommended by the PDC.

Vote: A vote on the motion resulted in all twelve Councilors present voting aye.

The motion carried.

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10.3 Consideration of Resolution No. 87-777, for the Purpose of Delegating to the Council Convention Center Committee Authority Under the Portland Development Commission (PDC) Intergovernmental Agreement for Acquisition of the Convention Center Site

Presiding Officer Waker noted the resolution was considered at the June 11 meeting and no action had been taken. It was agreed the resolution should be considered again when Councilor Ragsdale, Chair of the Council Convention Center Committee, would be present to recommend it.

Motion: Councilor Ragsdale moved, seconded by Councilor Cooper, to adopt Resolution No. 87-777.

Councilor Ragsdale said he recommended adoption of the Resolution because there was need to streamline the process for approving property settlements recommended by the PDC. Once a property owner had agreed to a particular settlement price, it was very important to get approval before the property owner changed his or her mind, he said. He was concerned about the full Council's ability to act quickly on such requests and explained the Convention Center Committee would serve as an executive commission of elected officials to make such decisions.

Councilor Van Bergen said he would not support the resolution and that the Council should exercise its best political judgment for each property transaction.

Councilor Gardner suggested the resolution be revised to all the Convention Center Committee approval of transactions within a designated percentage of the estimated value of the property. Councilor Ragsdale explained such a restriction could hamper negotiations.

Councilor Hansen said the matter was a question of Council style. He agreed with Councilor Van Bergen the Council should remain involved in property settlement decisions. The Council should be willing to meet on an emergency basis in order to accommodate staff's needs, he said.

Councilor Knowles supported the resolution and agreed with Councilor Ragsdale that timing was a very important issue. He questioned how much detail the Council could handle at their meetings. He also thought that to conduct special meetings to approve property transactions was a waste of the taxpayers' money.

Councilor Collier did not support the resolution, explaining the Council should feel totally comfortable with delegating the responsibility before such a decision were made.

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Councilor DeJardin supported the resolution. He thought enough checks and balances existed to delegate the authority. To act otherwise, he said, was to exhibit lack of confidence.

Vote: A vote on the motion resulted in:

Ayes: Councilors Bonner, Cooper, DeJardin, Kelley, Knowles and Ragsdale

Nays: Councilors Collier, Gardner, Hansen, Kirkpatrick, Van Bergen and Waker

The motion failed for lack of a majority.

Budget and Program Oversight Report Format

Ray Barker, Council Assistant, referred Councilors to a memo from Donald Carlson, Council Administrator, regarding a proposed format for reporting budget and program progress. He asked Councilors to review the information and comment back to Council staff by July 20.

Eastern Oregon Landfill Proposal

Councilor Kirkpatrick said she had received a letter from Waste Management regarding their proposal to site a landfill in eastern Oregon. She asked if staff were responding to the proposal.

Councilor Gardner, Chair of the Council Solid Waste Committee, reported he had asked Tor Lyshaug, Acting Solid Waste Director, that question. Mr. Lyshaug said no recommendation would be made until Richard Owings, the new Solid Waste Director, had a chance to evaluate all the landfill proposals. Staff considered the matter an immediate priority, he said.

There was no further business and the meeting was adjourned at 9:00 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

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