

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

December 12, 1991

Council Chamber

Councilors Present: Presiding Officer Tanya Collier, Deputy
Presiding Officer Jim Gardner, Larry
Bauer, Roger Buchanan, Richard Devlin,
Sandi Hansen, David Knowles, Ruth
McFarland, Susan McLain, George Van
Bergen and Judy Wyers

Councilors Absent: None

Also Present: Executive Officer Rena Cusma

Presiding Officer Collier called the meeting to order at 5:35
p.m.

Presiding Officer Collier announced that Agenda No. 5.3,
Resolution No. 91-1538, For the Purpose of Authorizing the Award
of the Metro Headquarters Design/Build Contract to Hoffman
Construction Company, would be considered before Agenda Item No.
5.2, Resolution No. 91-1537, For the Purpose of Authorizing the
Closing of the Real Estate Transaction to Acquire the Sears
Building and the Adjacent Parking Garage.

1. INTRODUCTIONS

None

2. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

2A. NON-REFERRED RESOLUTIONS

Resolution No. 91-1542, For the Purpose of Expressing
Appreciation to Karla Forsythe for Services Rendered to the
Metropolitan Service District

Motion to Suspend the Rules: Councilor Gardner moved,
seconded by Councilor McFarland, to suspend the
Council's rules requiring resolutions to be referred by
Committee so that the Council as a whole could consider
Resolution No. 91-1542.

Vote on Motion to Suspend: Councilors Bauer, Buchanan,
DeJardin, Gardner, Hansen, Knowles, McFarland, McLain,
Van Bergen and Collier voted aye. Councilors Devlin
and Wyers were absent. The vote was unanimous and the
motion passed.

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Presiding Officer Collier announced Karla Forsythe, Council Analyst, resigned from the Council Department effective December 12, 1991, to take a position with the Homebuilders Association. Presiding Officer Collier read Resolution No. 91-1542 for the record.

Motion: Councilor Gardner moved, seconded by Councilor Buchanan, for adoption of Resolution No. 91-1542.

Vote: Councilors Bauer, Buchanan, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. Councilor Devlin was absent. The vote was unanimous and Resolution No. 91-1542 was adopted.

Ms. Forsythe thanked the Council for the resolution expressing appreciation for her services to Metro.

3. EXECUTIVE OFFICER COMMUNICATIONS

Executive Officer Cusma noted she would send the Council a draft resolution on December 13 recommending Metro begin responding to the Charter Committee's draft proposals to-date.

4. ORDINANCES, SECOND READINGS

4.1 Ordinance No. 91-439A, An Ordinance Establishing a Plan for the Financing from Time to Time of Various Facilities and Operations of the Metropolitan Service District; Authorizing the Issuance of One or More Series of Revenue Bonds for Such Purpose Under the Provisions of Supplemental Ordinances Adopted Pursuant Hereto; and Establishing and Determining Other Matters in Connection Herewith

The Clerk read the ordinance for a second time by title only.

Presiding Officer Collier announced Ordinance No. 91-439 was first read on November 14 and referred to the Finance Committee for consideration. The Finance Committee considered the ordinance on December 5 and recommended Ordinance No. 91-439A to the full Council for adoption.

Main Motion: Councilor Van Bergen moved, seconded by Councilor Buchanan, for adoption of Resolution No. 91-439A.

Councilor Van Bergen gave the Finance Committee's report and recommendations. He explained the financing bond was similar to other financing bond ordinances adopted in the past. He said the

ordinance was complex and the actions recommended by staff for security purposes were good. He said after the Finance Committee met December 5, he had since been advised two of the three rating firms indicated the bond would receive an "A" rating and the third had stated a rating of "A-." He said the ordinance should be amended to achieve an "A" rating from all three rating firms to receive lower interest rates. He noted a memo from Jennifer Sims, Director of Finance and Management Information dated December 11, 1991, "Amendment to Ordinance No. 91-439."

Presiding Officer Collier opened the public hearing. No citizens appeared to testify and the public hearing was closed.

Dan Cooper, General Counsel, explained the amendment would add language to "Definitions" in Section 101 on page 13: "'Unrestricted Taxes' means any tax now or hereafter imposed or levied by the Issuer which is not restricted by law in a manner that precludes the Issuer from using the revenues derived from such tax to make a General Assessment for the payment of debt service on Outstanding Debt Obligations, including but not limited to any ad valorem tax, excise tax or any other tax." He explained the amendment would also add to page 18, Section 205, "Additional Bonds and Financial Obligations; Completion Obligations and Refunding Obligations. (II) Report of Qualified Consultant as to Future Unrestricted Taxes and Debt Service. A report of a Qualified Consultant stating that in the opinion of such Qualified Consultant the Issuer, in each of the three Fiscal Years described in (1)(A)(2) above, can generate and collect Unrestricted Taxes in an amount equal to 125% of the Annual Debt Service for the Outstanding Debt Obligations, including the Debt Obligations to be issued or incurred."

Motion to Amend: Councilor Van Bergen moved, seconded by Councilor DeJardin, to amend Ordinance No. 91-439A with amendment language as listed above from Ms. Sims' memo.

Vote on Motion to Amend: Councilors Bauer, Buchanan, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. Councilor Devlin was absent. The vote was unanimous and the motion to amend passed.

Vote on the Main Motion as Amended: Councilors Bauer, Buchanan, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. Councilor Devlin was absent. The vote was unanimous and Ordinance No. 91-439B was adopted.

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4.2 Ordinance No. 91-440A, An Ordinance Enacted as a Supplemental Ordinance to Ordinance No. 91-439; Establishing a Plan for Financing the Metro Headquarters Building; Authorizing the Issuance of the Metro Headquarters Building Bonds for Such Purpose; and Establishing and Determining Other Matters in Connection Therewith

The Clerk read the ordinance for a second time by title only.

Presiding Officer Collier announced Ordinance No. 91-440 was first read on November 14 and referred to the Finance Committee for consideration. The Finance Committee considered the ordinance on December 5 and recommended Ordinance No. 91-440A to the full Council for adoption.

Motion: Councilor Van Bergen moved, seconded by Councilor Buchanan, for adoption of Ordinance No. 91-440A.

Councilor Van Bergen gave the Finance Committee's report and recommendations. He explained the ordinance served as a supplemental bond ordinance to Ordinance No. 91-439B.

Presiding Officer Collier opened the public hearing. No citizens appeared to testify and the public hearing was closed.

Vote: Councilors Bauer, Buchanan, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. Councilor Devlin was absent. The vote was unanimous and Ordinance No. 91-440A was adopted.

4.3 Ordinance No. 91-421A, For the Purpose of Amending the Regional Waste Water Management Plan and Authorizing the Executive Officer to Submit it for Recertification

The Clerk read the ordinance for a second time by title only.

Presiding Officer Collier announced that Ordinance No. 91-421 was first read on November 14 and referred to the Transportation & Planning Committee for consideration. The Transportation & Planning Committee considered the ordinance on November 25 and recommended Ordinance No. 91-421A to the full Council for adoption.

Motion: Councilor Devlin moved, seconded by Councilor Hansen, for adoption of Ordinance No. 91-421A.

Councilor Devlin gave the Transportation & Planning Committee's report. He said Committee discussion centered on general water

issues related to the Water Resources Division of the Planning & Development Department. He said the ordinance was amended because Legal Counsel believed the ordinance needed technical amendments to more closely match the requirements of the Code of the Metropolitan Service District.

Presiding Officer Collier opened the public hearing. No citizens appeared to testify and the public hearing was closed.

Vote: Councilors Bauer, Buchanan, Devlin, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. The vote was unanimous and Ordinance No. 91-421A was adopted.

5. RESOLUTIONS

5.1 Resolution No. 91-1530, For the Purpose of Considering the Recommendations of the Region 2040 Management Committee for Consultant Selection and Contract Approval

Motion: Councilor Gardner moved, seconded by Councilor Wyers, for adoption of Resolution No. 91-1530.

Councilor Gardner gave the Transportation & Planning Committee's report and recommendations. He explained the resolution adopted the Management Committee's recommendations on proposals received for consulting services. He said the consultants would perform studies for the Region 2040 Plan, the next step in Metro's planning program to deal with regional growth management issues. He said Region 2040 was a direct result of Regional Urban Growth Goals and Objectives (RUGGOS) adopted via Ordinance No. 91-418A on September 26, 1991. He said funds were budgeted this fiscal year for FY 1991-92 and that nine responses were received. He said after review of the proposals, the Management Committee reduced the responses to four teams of consulting firms who were asked to submit more detailed proposals and then interviewed. He said the Management Committee selected a team of firms which included ECO Northwest, Cogan Sharpe Cogan, Cambridge Systematics, CH2M Hill, Pacific Rim Resources, Decision Sciences, Walter Macy, Saluddin Khan and Ernie Munch. He said those consultants would work on Phase I for approximately one year.

Councilor Gardner said Phase I would assess projected growth in the region for the next 20 years and develop different scenarios on how that growth might occur. He said the team would develop different options to choose based on existing land use and transportation policies to offer a look at how growth would occur within those changes. He said the process would develop products to describe the scenarios in detail including descriptions and

tabloids to be offered for public distribution and comment. He said the process would start with public outreach to find out if the public thought growth should occur, how that growth should occur, and what could be done about it. He said citizen input would be used when developing the alternative scenarios.

Councilor Van Bergen said he voted nay on the resolution at the Committee because he objected to one firm on the selection team and would vote nay on the resolution for that reason at this meeting also.

Councilor McLain stated for the record her concerns about the composition of the Management Team selected to manage the consultant team. She believed the management team should have a Council analyst as a voting member because the Council represented citizens also.

Councilor Devlin discussed Committee meeting debate about the composition of the Management Team. He said the management team should manage the consultants and steer clear of policy issues. He said the team would receive policy input from other bodies. Councilor McLain said she was not attempting to infuse the Management Team with policy issues but said policy makers such as the Council, should be well informed, especially on technical information. She said for the Council to be informed, a Council Department staff person should be present.

Vote: Councilors Bauer, Buchanan, Devlin, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Wyers and Collier voted aye. Councilor Van Bergen voted nay. The vote was 11-1 in favor and Resolution No. 91-1530 was adopted.

5.3 Resolution No. 91-1538, For the Purpose of Authorizing the Award of the Metro Headquarters Design/Build Contract to Hoffman Construction Company

Motion: Councilor Bauer moved, seconded by Councilor Buchanan, for adoption of Resolution No. 91-1538.

Councilor Bauer gave the Regional Facilities Committee's report and recommendations. He said Agenda Item No. 5.3 was being considered before Agenda Item No. 5.2 because Resolution No. 91-1538 contained criteria that required adoption before adoption of Resolution No. 91-1537. He said Resolution No. 91-1538 awarded the Sears Building design/build contract to Hoffman Construction Company. He said six firms responded to the original RFP and three of those firms responded to the subsequent RFP issued. He said the selection team concluded Hoffman

Construction Company to be the most appropriate bidder and that Hoffman met all the criteria listed to complete the project in 396 days for \$9.36 million.

Presiding Officer Collier opened a public hearing.

Ruth Miller, Inner City Strategies, 33 NE Cook, Portland, asked that Metro make the Sears Building into a model demonstration facility for waste reduction and energy conservation for office buildings by maximizing solar access during the winter by placing as many windows as possible along the south side; minimizing late spring and summer solar access by placing an overhang above south and west facing winds at the appropriate angle and planting deciduous trees on those sides; building open, well-designed stairways at the center of the work space and encouraging people to use them; placing elevators off to the side to discourage their use; putting easy to use waste recovery and recycling systems in each work and kitchen area; and installing a passive solar water heating system such as the Copper Cricket. Ms. Miller said Metro could utilize demolition and construction techniques and materials that minimized waste, and made other energy and resource efficient suggestions.

Councilor McFarland instructed Neil Saling, Director of Regional Facilities, to contact Ms. Miller to incorporate Inner City Strategies' recommendations into the design work. Councilor McFarland noted she had spoken with Ms. Miller previously and had given Ms. Miller's letter to Mr. Saling and said Regional Facilities staff was aware of the suggestions made by Inner City Strategies. She told Regional Facilities staff and Hoffman representatives to consider all of Ms. Miller's suggestions and related issues and recommendations seriously.

Vote: Councilors Bauer, Buchanan, Devlin, DeJardin, Gardner, Hansen, Knowles, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. The vote was unanimous and Resolution No. 91-1538 was adopted.

5.2 Resolution No. 91-1537, For the Purpose of Authorizing the Closing of the Real Estate Transaction to Acquire the Sears Building and the Adjacent Parking Garage

Motion: Councilor Bauer moved, seconded by Councilor Buchanan, for adoption of Resolution No. 91-1537.

Councilor Bauer gave the Regional Facilities Committee's report and recommendations. He explained the resolution was companion legislation to Resolution No. 91-1538. He said this resolution would close the real estate acquisition to acquire the Sears

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Building and the adjacent parking garage. He said Executive Officer Cusma had done an excellent job in acquiring the facility at a fair price and said the facility was a good investment for Metro. He said the resolution would authorize the release of \$250,000 in earnest money previously agreed to, authorized acquisition of the parking garage approved via Resolution No. 91-1529, and noted the total project cost was \$23 million.

Councilor Gardner said Sears Building issues had been discussed several times at Council and committee meetings at length and stated he could not support the purchase of the Sears Building. He did not believe a comprehensive review had been made of all available options. He was aware of staff's extensive work, but said Metro did not receive competitive bids to acquire a headquarters building. He said the timing was bad in view of the current regional economic situation and said the building costs would raise Metro's overall program costs. He said Metro would have as many as three different measures on the November 1992 ballot asking for funds including the Greenspaces Program, a funding base for the regional recreational facilities, and the Metro Charter with its financing component for the agency as a whole. He said current space needs were undeniable, and the building did represent a good investment, especially over 20 years, but said it was a good deal at the wrong time. Councilor Gardner said the parking space acquisition was a good investment also, but did not believe government should be in the parking business.

Councilor Devlin concurred with Councilor Gardner, but said definite site criteria and a competitive process had been used to procure the builder. He said there was a difference between the public perception and the public's best interest. He said acquisition of the Sears building was definitely in the public's best interest.

Councilor DeJardin said the building would be a good investment and that if Metro waited, costs would not be any lower. He said currently the Metro headquarters did not have sufficient space and parking facilities. He noted Ms. Miller's testimony and said Metro would be recycling a building that had not been utilized to its fullest potential in the past and that Metro's occupancy of the building would help to revitalize that part of Portland.

Councilor McFarland said she voted against the extra parking space at Committee because she did not agree with using taxpayers' money to build a business to compete with those taxpayers. She said Metro should not acquire space simply to rent it out.

Councilor Buchanan said it was appropriate for government to enter into proprietary functions and cited the Bonneville Power Administration as an example. He said the parking space represented a good investment.

Vote: Councilors Bauer, Buchanan, Devlin, DeJardin, Hansen, Knowles, McLain, Van Bergen, Wyers and Collier voted aye. Councilors Gardner and McFarland voted nay. The vote was 10 to 2 in favor and Resolution No. 91-1527 was adopted.

5.4 Resolution No. 91-1536, For the Purpose of Approving Metro's Participation in the Forum on Cooperative Urban Services

Motion: Councilor DeJardin moved, seconded by Councilor Devlin, for adoption of Resolution No. 91-1536.

Councilor DeJardin gave the Governmental Affairs Committee's report and recommendations. Councilor DeJardin said the resolution would approve Metro's participation in the Forum on Cooperative Urban Services (FOCUS). He said the Forum was not meant to supplant regional government, the League of Oregon Cities, or the Oregon Association of Counties. He said the Forum would build trust and cooperation between cities, counties and Metro. He said the group would have no direct authority but would make policy recommendations on growth. He said Metro's FOCUS members would be Metro's Presiding Officer and Executive Officer Cusma. He said the resolution provided for payment of dues annually of not more than \$2,000. He said FOCUS would study special districts, Clark and Yamhill Counties and the City of Newberg. He said there would be utilization of Portland State University's Institute on Metropolitan Studies, the Governor's tax project, transportation issues, the Oregon Department of Transportation (ODOT), light rail and other transit issues, as well as emphasis on controlling congestion which tied into RUGGOS and a formalized tax coordination process.

Councilor Wyers asked how FOCUS differed from Metro and why Metro was not able to perform the functions described on its own. Councilor DeJardin said Metro had various task forces and different groups at which elected officials met, but said those were Metro-sponsored and related. He said FOCUS was meant for all general purpose governments in the metropolitan area and formed for communication purposes and coordination efforts to meet six times per year and twice a year at workshops. Councilor Wyers said Metro should sponsor such communications efforts.

Councilor Hansen said most regional politicians were part-time and it was difficult for them to find opportunities to communicate

with each other. She said FOCUS would serve as a forum in which to solve common problems, form consensus, hold survey discussions and that it did not view itself as a policy-making body. She said FOCUS would provide Metro with an opportunity for community outreach. She said Metro should apply for membership in the League of Oregon Cities and possibly the Association of Oregon Counties. She said Metro was so specialized that it did not get invited to all the functions Metro representatives should attend.

Councilor McLain said since FOCUS would operate anyway, Metro should join it. Councilor Devlin concurred and said it was not beneficial for Metro to isolate itself. Councilor Gardner noted FOCUS organizers debated whether Metro should be invited to join or not. He said it was appropriate for Metro to join in informational discussions on issues of mutual concern. He said it would be good to show other governments Metro was not the threat they sometimes thought it could be. Councilor Van Bergen noted there were jurisdictions other than cities and asked why special districts were omitted from membership. Councilor DeJardin said they were not as organized as the cities and other entities and met less often. He assumed the special districts were not as interested in participation as the cities were. The Council discussed the issues further. Councilor Wyers said FOCUS activities would likely lead to policy analysis. Councilor Devlin said not all regional issues were necessarily issues Metro would deal with.

Vote: Councilors Buchanan, Devlin, DeJardin, Gardner, Hansen, McFarland, McLain, Van Bergen and Collier voted aye. Councilor Wyers voted nay. Councilors Bauer and Knowles were absent. The vote was 9 to 1 in favor and Resolution No. 91-1536 was adopted.

5.5 Resolution No. 91-1534, For the Purpose of Accepting the Report of Independent Certified Public Accountants on Metro's FY 1991 Comprehensive Annual Financial Report and Schedule of Federal Financial Assistance

Motion: Councilor Buchanan moved, seconded by Councilor Hansen, for adoption of Resolution No. 91-1534.

Councilor Buchanan presented the Finance Committee's report and recommendations. He explained the Finance Committee received the report on December 5.

Councilor Van Bergen noted adoption of Resolution No. 91-1534 signified acceptance and not approval of the report.

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Vote: Councilors Bauer, Buchanan, Devlin, Gardner, Hansen, McFarland, McLain, Van Bergen, Wyers and Collier voted aye. Councilors DeJardin and Knowles were absent. The vote was unanimous and Resolution No. 91-1534 was adopted.

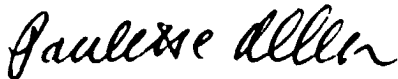
6. COUNCILOR COMMUNICATIONS AND COMMITTEE REPORTS

Presiding Officer Collier discussed the resolution to be transmitted to the Charter Committee.

Councilor Van Bergen discussed issues related to the Metropolitan Exposition-Recreation Commission (MERC).

There being no further business, Presiding Officer Collier adjourned the meeting at 6:55 p.m.

Respectfully submitted,



Paulette Allen
Clerk of the Council