

MINUTES OF THE METRO COUNCIL FINANCE COMMITTEE

January 12, 1994

Council Chamber

Committee Members Present: Rod Monroe (Chair), Richard Devlin (Vice Chair), Roger Buchanan, Jim Gardner, Jon Kvistad, Susan McLain, George Van Bergen

Chair Monroe called the Finance Committee meeting to order at 4:10 p.m.

1. Consideration of December 8, 1993 and December 22, 1993 Finance Committee Meeting and December 16, 1993 Joint Finance and Governmental Affairs Committee Meeting Minutes

Motion: Councilor McLain moved to approve the December 8, 1993 and December 22, 1993 Finance Committee Meeting and December 16, 1993 Joint Finance and Governmental Affairs Committee meeting minutes as submitted.

Vote: Councilors Buchanan, Gardner, Kvistad, McLain, Van Bergen and Monroe voted aye. Councilor Devlin was absent.

The vote was unanimous and the motion passed.

2. Resolution No. 94-1870. For the Purpose of Approving a Lease/Purchase Agreement Whereby United States National Bank of Oregon Leases and Sells Certain Equipment to Metro; and Authorizing the Execution and Delivery of the Lease/Purchase Agreement and Other Matters Pertaining Thereto

Bob Ricks, Senior Administrative Services Analyst, presented the staff report, and noted Councilors Kvistad and McLain had attended a recent meeting at which a review of the equipment purchase proposed was presented. He said the rate would be favorable at 1.35%.

In response to Councilor Buchanan, Councilor McLain said she agreed with the need for the computer equipment, but felt others might have more knowledge concerning the financial aspects.

Councilor Kvistad indicated he was satisfied with the proposed purchase.

Motion: Councilor Kvistad moved to recommend Resolution No. 94-1870 to the full Council for adoption.

Vote: Councilors Buchanan, Gardner, Kvistad, McLain, Van Bergen and Monroe voted aye. Councilor Devlin was absent.

5. Introductory Discussion with Interim Regional Facilities Director

Doug Butler, Interim Regional Facilities Director, briefly described his background, having been with the Portland Development Commission for the past five years; 10 years experienced in the private sector in real estate in development, leasing and related areas prior to that; and 10 years public experience prior to that with the City of Portland and Multnomah County, noting much of his experience included project management and administration.

Mr. Butler expressed his viewpoint of the major items to be addressed with the Finance Committee and with the Regional Facilities Committee in upcoming meetings; e.g. a Metro Regional Center building construction appraisal fact sheet, and retail space in the plaza.

Don Rocks, Executive Assistant, addressed the Committee, and said the Executive Officer was preparing an "In My Opinion" document in response to the Lars Larson piece recently aired on Channel 12, KPTV, Northwest Reports. He noted the Oregonian feature editor who monitored that space in the newspaper had indicated the Oregonian would likely not print a response to reporter allegations made in some other media, and said the item should be generic rather than specific.

Councilor McLain noted work was in progress on a fact sheet that would be made available to the public in the near future in connection with the information presented on the Channel 12 report. Mr. Butler said concerning the Metro Regional Center, he would like to bring forward to the Committee a picture of expenditures to date, change orders to date, balance available in the project, remainder of work to be done, and further cost expectations including the Plaza retail space.

Mr. Butler described progress concerning the Plaza retail space, and mentioned several types of clientele that might be interested in such a space, such as a travel agency or a gallery. He noted no services were currently available in that space and indicated funding would be necessary for improvements.

Mr. Butler discussed the current signage on the Metro Regional Center building, and agreed it might need to be made less subtle.

In response to Councilor McLain, Mr. Butler said the connection with the Oregon Convention Center should not be left out of discussion concerning the Plaza retail space.

The Committee and staff discussed signage for the Metro Regional Center further.

Mr. Butler \$5.00 a foot operating expenses in the approved budget, and said it was costing more than \$5.00 per foot. He felt that was a matter to be reviewed thoroughly for FY 1994-95 Budget, and indicated he was prepared to bring forward information in connection with such a discussion.

Mr. Butler indicated he was examining the FY 1994-95 Proposed Budget and intended to develop and prepare as balanced a proposal and options as he deemed appropriate.

Mr. Butler mentioned the Metro Center lease, and said questions were: 1) should Metro try to find two or three short term tenants; 2) should Metro attempt to negotiate its way out of the current lease and would short term tenant interfere with that process; and, 3) what kind of improvements would need to be made to meet tenants' needs and their related costs, or, 4) should Metro mothball the building. Chair Monroe noted the Council would be concerned about any potential large expenditure with Metro Center, but would likely approve minor modifications to meet tenants' needs.

Councilor Devlin felt Metro should make a good faith effort to do what the owner had indicated were his desires in the matter. The Committee and Mr. Butler discussed options for the Metro Center building further.

Mr. Butler indicated the owner was not interested in actively managing the building, viewed the building as an investment, and would be favorable toward a single large tenant.

Councilor Van Bergen felt the matter of Metro Center should be resident in one committee, and was interested in such a decision being made.

Chair Monroe indicated the Presiding Officer had called a meeting between himself and the Regional Facilities Chair, Sandi Hansen, to resolve that jurisdictional issue. He said the decision was made to place oversight of the Metro Center under the jurisdiction of the Finance Committee.

Donald E. Carlson, Council Administrator, noted the Council 1994 organizing resolution adopted January 4, 1994 positioned the Regional Facilities Department coming to the Finance Committee for oversight.

Councilor Gardner commented regarding the situation incurred by the unauthorized lease to Metropolitan Family Services, and suggested the possibility of leasing Metro Center to a non-profit organization at a lesser or no cost. Mr. Butler noted the budget challenge represented by such action, but felt it should not be discounted for discussion.

In response to Councilor Gardner, Mr. Carlson said he had written a memorandum to the Presiding Officer at the time highlighting the changes in the organizing resolution to consolidate the oversight function for the Regional Facilities Department from three Committees to one, and to move the oversight for Regional Parks/Greenspaces program out of Planning to Regional Facilities.

Councilor McLain commented on the Metro Center/Metro Regional Center building process to date. She noted the reports to the Regional Facilities Committee were not as specific as she would have liked to see.

In response to Councilor Kvistad, Mr. Butler reiterated there were absolutely no services currently at the Plaza retail space.

Mr. Butler appealed to the Committee for direction and guidance as he proceeded.

Chair Monroe felt negotiation with the owner, Roger Meier, was important. He noted the Council had receive a letter from the Executive Officer requesting additional direction. Chair Monroe emphasized the importance of continued discussion with the Committee and the Council.

3. Ordinance No. 94-514A Amending Ordinance No. 93-487A Revising the FY 1993-94 Budget and Appropriations Schedule for the Purpose of Amending the FY 1993-94 Budget and Appropriations Schedule for the Purpose of Amending the FY 1993-94 Budget to Share Payment with the Zoo for the Metro Construction Project Manager and Declaring an Emergency

Mr. Butler presented the staff report, and said the proposed ordinance would amend the budget to reflect the staff time of the Construction Manager during the first half of the current fiscal year.

Motion Councilor Van Bergen moved to recommend Ordinance No. 94--514A to the full Council for adoption.

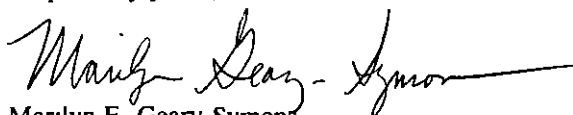
Chair Monroe opened a public hearing. No citizens appeared before the Committee. Chair Monroe closed the public hearing.

Vote: Councilors Buchanan, Gardner, Kvistad, McLain, Van Bergen, Devlin and Monroe voted aye.

Chair Monroe noted the Finance Committee consisted of seven members.

There being no further business, the meeting adjourned at 5:05 p.m.

Respectfully yours,



Marilyn E. Geary-Symons
Committee Recorder