

Council Convention Center Committee Minutes
Tuesday, January 10, 1989
4:00 p.m.
Metro, Room 145

Attending: Councilors Buchanan, Kelley, Knowles, and Van Bergen

Staff: Neil McFarlane, Neil Saling, Sandy Stallcup, Glenn Taylor, Jessica Marlitt, Dan Cooper, Don Rocks, Dominic Buffetta, Jeffrey Blosser, Lee Fehrenkamp.

Chairman David Knowles called the meeting to order at 4:10 p.m. All councilors present noted and those councilors not present were excused by the Chairman.

Agenda Item No. 1. Approval of Minutes for December 13, 1988.

MOTION: Councilor Van Bergen moved to approve the minutes of December 13, 1988. Motion was seconded. There were no objections.

VOTE: The motion was approved by unanimous vote.

Jeffrey Blosser, the new Manager of the Oregon Convention Center was introduced and welcomed to the committee by Chairman Knowles. Blosser started his assignment the previous day, January 9.

Agenda Item No. 2. Construction Progress Report.

Glenn Taylor, Construction Coordinator reviewed Construction Status Report No. 7 with the committee. He said fabrication of the towers will commence next week and the towers will be standing by mid-March. Chairman Knowles asked about the status of the timing of the project. Neil Saling indicated that Canron is approximately two weeks behind in steel erection and notification has been given to Hoffman-Marmolejo and Canron. He stated that Tom Walsh is talking with Cecil Drinkward of Hoffman-Marmolejo at the present time. However, until we receive HOM CPM project schedule, it is difficult to evaluate the impact of this two week delay. This delay will not affect the completion date and ACDC Committee is looking at a completion date of July 10, 1990.

Councilor Van Bergen asked about the responsibility of the delay vis a vis the novation agreement. Neil Saling responded that Metro's position remains that any delay by the steel subcontractor is the responsibility of HOM regardless of when the delay occurred. This was the original intent of

the novation agreement. HOM appears to be interpreting the effect of the novation agreement differently. They feel that the novation shifts responsibility of the steel subcontractor to them as the general contractor, but only from date of contract award (September 8888) on. HOM feels that the delay was in part due to mismanagement by Metro of the steel subcontractor prior to September 8, and therefore the responsibility of Metro. The resolution of this issue remains and will most likely be resolved through claim action.

Councilor Van Bergen asked to have assurance, as owners, that we are on schedule. Neil Saling indicated that we are ahead of the project on other aspects of construction and maintained that the project is on schedule.

Neil Saling received an inquiry from Councilor Collier regarding Hoffman-Marmolejo's policies toward minority contractors. Shirley Minor, S. G. Minor and Associates inquired about Butler Metal Fab. Her primary interest was to assure that Charles Butler, owner and DBE would be hired by McKinstry Company, the mechanical subcontractor for HOM. Saling stated that Marmolejo has let \$180,000 to date to contractors of DBE firms and over \$4.6 million to HOM joint venture. Saling said he talked with HOM's project manager and will continue to emphasize the need for significant minority involvement in the construction of the Oregon Convention Center.

Agenda Item No.2 First Quarter Progress Report.

Neil McFarlane reviewed the quarterly report ending September 30, 1988 and discussed the interest money on the bond proceeds.

Chairman Knowles announced that there would be a work session within the next 30 days to discuss long-range budget and related issues within the committee's concerns. The meeting will cover the interest on the invested bond proceeds and overhead. Councilor Kelley said she was told that the bond money would be spent in a special way. We need to find out and honor the original intent now. Neil McFarlane said he will review the documents and make sure that we follow through with the promises that were made to the citizens of the community.

Agenda Item 4. Resolution No. 88-1028 confirming Ben Middleton's reappointment at Metro ERC Commissioner.

Chairman Knowles explained that when the Commission was set up, Ben Middleton is one of the commissioners of the E-R

Commission and he is one of Metro's appointments. Metro has two appointments. One is the chair and one is Commissioner Middleton. Under the staggered terms that the initial members had, Middleton drew a one year tenure. The Executive Officer submitted his name for a full four-year term. He has been a valuable member of the Commission.

MOTION: Council Van Bergen moved to approve Ben Middleton to a four-year term as Commissioner. Councilor Kelley seconded the motion.

VOTE: The motion was approved by an unanimous vote.

Agenda Item 5. Consolidation Task Force Report.

Chair Knowles announced that he would like to have a meeting with each member of this committee about the current status of consolidation. A memorandum from Neil McFarlane summarizing in detail the consensus points of the Task Force was sent to the committee prior to the holidays. This would be an entirely internal discussion. After brief discussion the committee members decided to have a work session with Clifford Carlsen the following week, on January 19 at four o'clock for the purpose of discussing consolidation. It was agreed that in addition to Cliff Carlsen, Mike Ragsdale and Dan Cooper should be invited to attend.

Councilor Van Bergen asked for earlier notices of meetings and copies of materials.

Chair Knowles asked the staff to provide committee members with information on the Metro Consolidation Task Force to including the summary of the task force's consensus points, work schedule and summary of what was accomplished at the past meeting, prior to the meeting next week.

Don Rocks gave a briefing of a meeting with the County Commissioners. The County Commissioners requested a meeting with Rena Cusma, Mike Ragsdale and Mike Lindberg. This provided the Board of County Commissioners to have the opportunity to respond as a board to Metro's proposal. Paul Yarbough was requested to review the Metro E-R Commission financial study.

The Metro E-R Commission has been represented on the task force by Ted Runstein as the chairman. He has articulated the operational concerns with respect to consolidation. Lee Fehrenkamp and Jeff Blosser will give the operators' position on consolidation prior to the meeting next week.

Neil McFarlane elaborated on the request for proposals for a financial study of the facilities proposed by consolidation. He stated the study will document the current financial status of the facilities considered for consolidation and would provide a base for measuring the effectiveness of consolidated manager and will identify the financial issues which need to be resolved prior to full consolidation. A final draft was completed and was approved today at the Metro E-R Commission meeting.

Councilor Van Bergen thought the RFP was a good idea, but questioned where the funds came from. Neil McFarlane indicated that they would be coming from the Metro E-R Commission budget, which is from the hotel/motel tax.

Agenda Item 6. Rose City Plating/Site Environment.

Neil McFarlane presented a general overview to indicate the status of the environmental cleanup of the Rose City Plating site. Staff is working with Dames & Moore and the Department of Environmental Quality to complete cleaning up the mess.

Chairman Knowles mentioned Councilor Van Bergen question at the last meeting regarding what rights Metro has against the former owners of the site with respect to the clean up costs incurred to date. There was considerable discussion.

Dan Cooper responded that there are a multitude of factors involved in the issue and that the issue required 30 to 40 hours of research. The current work level in the General Counsel's office has not allowed this project to get underway. Councilor Van Bergen suggested that the research need to be done, but notwithstanding, Metro should file a preliminary complaint that would act to "freeze" the assets of whomever the complaint is filed against. Cooper responded that he will direct Monica Little of his staff to begin the required research. Additionally, a complaint will be drafted for the purposes of proceeding against either the owner, the operator or both.

Agenda Item 7. Real Estate Update. Neil McFarlane reviewed the preliminary real estate budget which reflected the jury award for the Janz/Slade property and the settlement on the Portland Towers.

Agenda Item 8. Skyview Terraces. Neil McFarlane reviewed the skyview terraces which were authorized by Council in November. The design allows access to the third balcony level and would provide a view of the river and downtown and would be meeting space. There are not sufficient funds in the construction budget to pay for the terraces. However,

the 1988-89 budgeted appropriation could pay this year's costs. Those costs would have to be reimbursed in 1989-90. A business plan reflects anticipated revenues. The skyview terraces may be funded from the hotel/motel fund. This will come up at the next meeting and may be an emergency resolution for Council to consider. The Councilors were in agreement with the need for the skyview terraces.

There being no further business, the meeting was adjourned at 5:35 p.m.

Respectfully submitted,



Sandy Stallcup