

MINUTES OF THE CONVENTION, ZOO & VISITOR FACILITIES COMMITTEE  
OF THE METROPOLITAN SERVICE DISTRICT

Regular Meeting  
March 7, 1989  
Metro Washington Park Zoo Conference Room A

Committee members present: Councilors David Knowles (Chair), Tom DeJardin (V. Chair), Roger Buchanan, Sharron Kelley and George Van Bergen

Committee members absent: None

Also present: Presiding Officer Mike Ragsdale  
Robin Drews, Friends of the Metro  
Washington Park Zoo  
Monica Little, Office of General Counsel

Chair Knowles called the meeting to order at 4:03 p.m.

1. Consideration of minutes of February 7, 1989

Motion: Councilor DeJardin moved approval of the minutes of February 7, 1989.

Vote: All Committee members voted in favor of the motion.

The motion carried.

STAFF INTRODUCTIONS

Chair Knowles announced one of the purposes of holding the Committee meeting at the Metro Washington Park Zoo (Zoo) was to provide an opportunity for Councilors and Zoo staff to become better acquainted. Zoo Director Sherry Sheng introduced the following division managers and directors who briefly described their division's functions: Alan Goff, Facilities Management; Bob Porter, Construction Management; Gayle Rathbun, Visitor Services; Roger Yerke (Acting Manager) Educational Services; Ellen Lanier-Phelps, Development; Jane Hartline, Marketing and Dennis Pate, Animal Management.

Councilor Kelley asked Mr. Rathbun the effects a minimum wage increase would cause. Mr. Rathbun said Division workers' entry salary was currently above the minimum wage, however the Zoo's compensation was not competitive in the food service area. Councilor Van Bergen asked Ms. Lanier-Phelps to, during the upcoming budget process, address the following question: What happens to earmarked donations to the Zoo once they get into the Metro financial system, and how is it ensured that monies are spent for the purposes they were earmarked? He asked Ms. Hartline to address issues regarding liability exposure due to serving alcoholic beverages on the premises including new or changed regulations and insurance costs.

2. Novation Agreement Report

Chair Knowles stated a copy of a memo addressed to Convention Center staff Berit Younie from Monica M. Little, Metro Legal Counsel, dated February 17, 1989, regarding "Effect of Convention Center Steel Contract Novation on 1) General Contractor's Pending Delay Claim, 2) Surety Performance Guarantee" had been mailed to each Committee member. He asked if the Committee had questions; there were none.

3. Convention Center Construction Progress Report

Glenn Taylor, Metro Construction Coordinator, furnished the Committee copies of the "Convention Center Project Construction Status Report No. 11," dated March 3, 1989, and briefly discussed major activities and progress. Mr. Taylor and Neil Saling, Convention Center Project Director, noted the general contractor had not yet provided a critical path schedule as requested, and it was not clear whether construction was behind, as the general contractor alleged, since work had begun in areas originally scheduled to commence after completion of the towers. Chair Knowles directed that the next Committee meeting agenda include discussion of the critical path schedule; and, if the general contractor had not provided it by that time, discuss recommending withholding progress payments.

4. Update on Convention Center Site Environmental Status

Convention Center Project staff Neil McFarlane said tests ordered by the Department of Environmental Quality (DEQ) had been completed, and the results were no detections.

5. Consideration of Resolution No. 89-1040, Supporting Establishing of the Oregon Convention Center Urban Renewal District and Development of a Convention Headquarters Hotel near the Oregon Convention Center,

and

8. Portland-Oregon Visitors' Association Marketing Status Report

Chair Knowles said agenda items 5. and 8. were closely related, and therefore, he was combining the items. Charles Ahlers, representing the Portland-Oregon Visitors' Association (POVA) presented the marketing report and distributed copies of a report dated February, 1989, titled "Oregon Convention Center Lost Business Report." Mr. Ahlers said the convention center had received 29 confirmed bookings, approximately 100 tentative bookings and 39 rejections. Mr. Ahlers said the "Lost Business Report" he had distributed to the Committee documented that in each case of rejection one of the reasons given was inadequate supply of hotel rooms in good proximity of the convention

center. He said a headquarters hotel could attract over 2,000 additional bookings.

Councilor Kelley questioned the public subsidizing a headquarters hotel and asked if it would be inconsistent with the original intent of the project. Mr. Ahlers explained many hotels had been publicly subsidized including the Portland Hilton and Marriott, and the headquarters hotel would provide an opportunity to attract additional markets.

Neil McFarlane said Resolution No. 89-1040 supported actions proposed by the City of Portland to establish an urban renewal district in the convention center area and recommended a headquarters hotel be a high priority project. Mr. McFarlane said the CTS Master Plan identified formation of an urban renewal district as a strategy to provide physical and visitors' facilities, and a recently-completed study by the Portland Development Commission called for establishment of the district to implement development.

Mr. McFarlane also addressed a concern Councilor Kelley expressed earlier regarding public subsidies. He said without public subsidy, the projected growth pattern in the area would probably result in two or three 200-300 room hotels growing incrementally as demand increased. He also noted public meeting spaces did not tend to be revenue generators, and there were examples where public subsidies had been applied to public meeting spaces, only. Council staff asked if data were available regarding the impact of headquarters hotels on surrounding smaller facilities. Mr. Ahlers said it was theorized the smaller facilities would be positively impacted because of greater awareness in the convention center area and exposure to a greater market segment.

Councilor Van Bergen asked if the strategy were to establish both an urban renewal district and a tax increment fund. Mr. McFarlane replied the strategy was to simultaneously establish the urban renewal district and the tax increment district and thereby create a tax increment fund. Councilor Van Bergen also asked if efforts had been initiated to make the agreement between Metro and Multnomah County on the hotel/motel tax revenues more formal. Mr. McFarlane replied it had not been considered as a part of this issue.

Chair Knowles suggested deferring action on the resolution to afford councilors an opportunity to meet with staff to address concerns which had been raised. However due to time frames involving City Council consideration, the Committee unanimously agreed to move the resolution to the Council for consideration and, in the interim before the Council meeting, councilors with questions could meet with staff.

Motion: Councilor DeJardin moved the Committee recommend the Council adopt Resolution No. 89-1049.

Vote: Councilors Buchanan, DeJardin, Van Bergen and Knowles voted aye. Councilor Kelley voted nay.

The motion carried.

Councilor Kelley reserved the option of filing a minority report.

Councilor Van Bergen asked if a meeting with Clackamas County had been scheduled as he had suggested at the previous Committee meeting. As the meeting had not yet been scheduled, Convention Center Project staff was directed to set up a meeting as soon as possible for Councilors DeJardin and Van Bergen with Clackamas County representatives regarding consolidation issues currently under discussion.

#### 6. FY 1988-89 Zoo Second Quarter Program and Budget Progress Report

Zoo Director Sherry Sheng reviewed the highlights of the second quarter progress report that had been included in the agenda packet. Ms. Sheng noted the Friends of the Metro Washington Park Zoo had raised adequate funds to acquire a female black rhino, and plans for a breeding program of that endangered species were being developed. Ms. Sheng also noted improvements were planned for the Children's Zoo and Cascade Exhibit.

#### 7. Zoo Five-Year Financial Plan

Jennifer Sims, Financial Services Manager, briefly reviewed the format of the report and stated the model developed would become standard throughout Metro. Sherry Sheng stated the next major capital project to be undertaken would be renovation and remodeling of the Children's Zoo. Ms. Sheng responded to questions from the Committee. In response to inquiries from Councilor Buchanan, Zoo staff was directed to prepare a report for the next Committee meeting detailing historical information on results of previous serial levy ballot measures including percentage of affirmative votes and other competing measures on the ballot.

Chair Knowles pointed out the Budget Committee would that evening begin examining projected budgets for FY 1989-90, and in order to comply with the Budget Committee's review schedule he thought it necessary for the Convention, Zoo and Visitor Facilities Committee (CZVF) to hold a special meeting to review the Convention Center and Zoo budgets and formulate recommendations for the Budget Committee. The Committee concurred and a special meeting was scheduled for 4:00 p.m., April 5, 1989. Chair Knowles said at the Committee's regularly

scheduled April 4, 1989 meeting, Convention Center budget issues would be reviewed, and at the April 5 meeting, Zoo budget issues would be reviewed. To assist the Committee's review, Council staff was directed to coordinate with Convention Center Project and Zoo Department staff to identify significant policy issues to address in preparation of recommendations to the Budget Committee and present the issues at the next CZVF Committee meeting. Suggested issues were: 1) Convention Center Project - how and whether to spend interest earnings on bond proceeds; 2) Zoo Department - alternative financing strategies including consideration of tax base, admission levels, capital funds, etc.; 3) for both program areas - overhead.

Councilor Van Bergen expressed concern about possible liens filed against contractors and subcontractors to the Oregon Convention Center. General Counsel was directed to coordinate with Convention Center Project staff to provide the Committee with a list of all lien notices filed against contractors and subcontractors to the project. The list should include who filed the lien, filing date and amount. It was Councilor Van Bergen's intent that the list be periodically updated as liens were satisfied or added.

There was no further business, and the meeting was adjourned at 6:20 p.m.

Respectfully submitted,



Gwen Ware-Barrett  
Council Committee Clerk

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3/10/89