

MINUTES OF THE COUNCIL REGIONAL FACILITIES COMMITTEE  
OF THE METROPOLITAN SERVICE DISTRICT

November 10, 1992  
Council Chamber

Committee Members Present: Susan McLain (Chair), Tanya Collier  
(Vice Chair), Ed Gronke, Ruth  
McFarland, Ed Washington

Committee Members Absent: none

Other Councilors Present: Jim Gardner, Judy Wyers

Chair McLain called the regular meeting to order at 4:00 p.m.

1. Minutes of the April 14, July 14, July 28, August 11, August  
25, September 8, and October 27, 1992

Motion: Councilor Collier moved to recommend approval of  
the minutes as written.

Vote: Councilors Collier, McFarland, McLain, and  
Washington voted aye. Councilor Gronke was absent.  
The vote was unanimous and the minutes were  
adopted.

2. Status Report on Metro Headquarters Project

Berit Stevenson, Project Manager, distributed and summarized  
headquarters project update report number eighteen, a copy of which  
is included in the record of this meeting. She noted the  
department had discussed the design of the plaza with the Portland  
Planning Commission. She felt reductions would be made to that  
portion of the project.

Councilor McFarland asked how long Metro would be responsible for  
the lease on the First Avenue office. Staff did not have an exact  
answer but estimated it was three to five years. Ms. Stevenson  
said if a desirable tenant was found, the obligation would be  
transferred to the new tenant.

Councilor Wyers asked about the construction costs. She asked what  
the \$82 per square foot represented. Ms. Stevenson said the \$82  
figure related to example number six included in the Metro Regional  
Center - Unit Costs handouts, a copy of which is included in the  
record of the meeting. Councilor Wyers requested an example  
explaining the costs included in the \$82 per square foot be  
prepared.

Neil Saling, Regional Facilities Director, said Chris Scherer,  
Financial Planning Manager, calculated the figure for the  
department. He said the figure had been used since April. He said  
he felt the actual project cost was \$78 per square foot and \$57 per  
square foot for construction. He noted office space and garage  
space differed greatly in costs. He expressed a desire to continue  
to use the \$82 figure until the actual costs were calculated.

Councilor Gronke requested staff to calculate cost of office space and garage space separately such that when each was multiplied by its square footage, equalled the cost of the project. Mr. Saling said example number six in the Metro Regional Center - Unit Costs was calculated on that formula.

Councilor Wyers noted many figures are being discussed among the public. She desired information to be able to accurately discuss the figures with the public.

Casey Short, Council Analyst, asked for clarification on the method to use for determining square footage cost and what budget to use when determining those figures. Mr. Saling noted the cost including the financing and building purchase was \$100 per square foot.

Councilor Gronke said he would like the figures to include all related costs including, financing, interest, et cetera. Councilor Wyers concurred. Councilor Gronke noted he was interested in also knowing the difference between the office and garage. Chair McLain said some comparisons to other buildings would need to be included. Mr. Saling said he would prepare the figures. Councilor Wyers asked Mr. Short to prepare the figures independently from the Regional Facilities Department.

Councilor Washington noted the public interest was closely related to whether the project was on budget or not. He favored a press release to inform the public of the actual costs of the project. Mr. Saling said a copy of the costs had been given to the public affairs department. Mr. Saling agreed to Councilor Washington's proposal and said it was consistent with the intent of the Executive Officer.

Councilor Collier reminded the committee the reason for purchasing the building was it would be less expensive to operate. Mr. Saling noted the unique programs the project was utilizing were noteworthy also.

Chair McLain noted the reduction in contingency needed to be addressed.

Councilor Wyers asked to receive notification when and if the cost of the project increases.

Councilor Gronke asked for an answer to Council staff's question regarding the responsibility for absorbing additional design-related costs, and whether Metro or the contracting team should bear the costs. Dan Cooper, General Counsel, said he would provide a written response to the question within two weeks.

Councilor Wyers requested a response to the questions posed in her memorandum dated November 10, 1992, a copy of which is included in the record of this meeting. Mr. Saling distributed a response to

Mr. Short's memorandum, a copy of which is included in the record of this meeting.

Chair McLain noted the Council would discuss the issues at the November 12, 1992 Council meeting.

Councilor Washington reiterated his desire to release information to the public through the press. Mr. Saling said he would attempt to address Councilor Washington's concerns and would report back to him prior to the November 12, 1992 Council meeting.

### 3. Status Report on Facilities Funding Task Force

Sherry Oeser, Project Manager, distributed and summarized a handout explaining the activities of the public information subcommittee, a copy of which is included in the record of this meeting.

Councilor Gronke asked if the term "arts" was expanded to include other programs. Ms. Oeser said the task force would examine expanding the definition of arts. Councilor Gronke suggested including the term "recreation". Councilor Gronke expressed concern about the lack of attenders at the task force subcommittee meetings.

### 4. Discussion of Draft Zoo Master Plan

Sherry Sheng, Metro Washington Park Zoo Director, presented the draft Zoo Master Plan, a copy of which is included in the record of this meeting.

Ms. Sheng discussed the problems associated with projecting programs and projects. She said policies needed to be developed and used to guide planning functions.

Ms. Sheng explained the process used to develop the framework for the zoo. She discussed the costs associated with amending the zoo master plan. She presented her method for incremental financing of the physical improvements to the zoo. She noted the funding opportunities and the differences in raising operating funds and in raising capital improvement funds. She said the Friends of the Zoo would conduct a feasibility study, which would be done prior to implementation of fund raising activities.

Chair McLain noted the studies needed to consider other programs that might include the zoo in their planning efforts. Ms. Sheng said the study would consider other activities.

Councilor Collier discussed the political climate in light of the changes proposed at the zoo. She spoke to lack of public support for other equally important project. She favored a regional approach to solving a myriad of problems. She noted the facilities funding task force might present a program that would included the zoo. Ms. Sheng said while the plan was ambitious, it needed to

proceed. She noted to remain entrepreneurial and competitive, continual renewal needed to occur at the zoo.

Ms. Sheng discussed the master plan as goals the zoo might move toward achieving. Councilor McFarland noted the plan was consistent with the directives given to the zoo.

Motion: Councilor McFarland moved to recommend Council approval of the Zoo Master Plan and directed staff to prepare the resolution to forward to the Council.

Vote: All those present voted aye. The vote was unanimous and the motion passed.

UNSCHEDULED ITEM - Discussion of Draft Resolution No. 92-1714, For the Purpose of Amending the Consolidation Agreement between the City of Portland and Metro and Transferring Memorial Coliseum from MERC to City Control and Authorizing and Admission Tax Offset Agreement with OAC and City

Mr. Short explained the OAC and the City of Portland reached an agreement on the construction of Trailblazer Arena. He noted the agreement included the operation of the Memorial Coliseum being transferred to the Trailblazers. He said the elected officials for the involved organizations met to discuss issues related to the negotiations.

Mr. Cooper distributed the items to be included in the consolidation agreement, the consolidation amendment, and a separate agreement dealing with the admissions tax, copies of which are included in the record of this meeting. He said the Trailblazers would add six percent to the sale of tickets at the facilities to offset the City of Portland's bonds. He said other payments are provided to the City through the agreement. He noted future taxes that might be assessed up to six percent be applied to the Trailblazer debt.

Mr. Cooper said Councilor Gardner was interested in the length of the contract. Mr. Cooper said he was awaiting a response from the Portland City Attorney.

Councilor Collier expressed concern about the six percent tax. She noted MERC was not allowed to assess the tax. She expressed strong opposition to the six percent admission fee in the agreement.

The Committee discussed the admission fee.

Mr. Cooper noted the Trailblazers agreed to provide up to \$875,000 in potential loss to the Memorial Coliseum due to construction activities. He said profits were expected, not losses. He said the negotiations concluded the first \$300,000 in liability will be incurred by Metro. He said if a balance in profits remains, it

REGIONAL FACILITIES COMMITTEE  
Minutes of November 10, 1992  
Page 5

will be transferred to the City. He said if a deficit occurred, MERC would assume the costs. He noted financial analysis speculated the maximum cost to MERC would be \$586,000.

Mr. Cooper discussed page 19 related to the Winterhawk contract and page 23 related to the Portland Center for the Performing Arts (PCPA) and the Civic Stadium.

Councilor Collier strongly encouraged the Council to return operation of the PCPA and the Civic Stadium to the City of Portland.

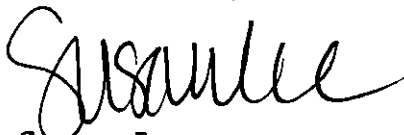
Councilor Collier questioned who represented Metro in the negotiations. Mr. Cooper suggested the Executive Management Department answer these questions.

Councilor Gardner discussed the options Metro might exercise related to the operation of the MERC facilities. He said Metro could return the facilities to the City. He noted it may affect the development of a regionally funded arts program. He said the other option was to have Metro assume the role of causing the failure of the negotiations by disagreeing with the outcome of the agreements.

Mr. Cooper advised the Committee the Council has the right to not approve the agreement.

With no further business before the committee, Chair McLain adjourned the meeting at 6:15 p.m.

Respectfully Submitted,



Susan Lee  
Committee Clerk

H:\RF\111092.MIN