

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

November 12, 1991  
Council Chamber

Committee Members Present: David Knowles (Chair), Jim Gardner  
(Vice Chair), Roger Buchanan and  
Ruth McFarland

Committee Members Absent: Larry Bauer

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

2. Consideration of Resolution No. 91-1523, Authorizing an  
Exemption from Metro Code Section 2.04.054 for an Amendment of  
the Zimmer Gunsul Frasca Partnership Contract

Berit Stevenson, Senior Management Analyst, gave her staff report. She said this was amendment number twenty-five and would be the final amendment to the Zimmer Gunsul Frasca Partnership contract for design and engineering services at the Oregon Convention Center. She said the amendments were for work already done. She said the work included two items; electrical consulting services to increase the number of outlets in the ballroom; and city inspection fees on a change to the ticket window. She said the contract totalled just over \$5 million and came in at 8.3% of the total cost of the building. She said the amount is a standard percentage for design services on construction projects.

Councilor McFarland asked what the total of this change was. Ms. Stevenson said the total was \$7,610.

Motion: Councilor McFarland moved to recommend Council adopt Resolution No. 91-1523.

Vote: Councilors McFarland, Buchanan and Gardner voted aye. Councilors Bauer and Knowles were absent. The vote was 3/0 and the motion passed unanimously.

3. Review of RFP for Design Services and Construction Support for  
Remodeling at the Metro Washington Park Zoo Elephant Barn

Kay Rich, Zoo Assistant Director, gave his staff report. He explained the Request for Proposal (RFP) would convert an area in the elephant barn from hay storage to a holding space. He said the remodelling provided in the RFP would also allow equipment to be moved across a bridge. Finally, he said radiant heat would be added to the elephant barn to enhance viewers experience. He explained the project was included in the 1991-92 budget.

The consensus of the Committee was to release the RFP without further consideration of the Committee or full Council.

1. Consideration of Resolution No. 91-1527, Authorizing the Execution of a Joint Memorandum of Understanding Regarding the Development of a New Trail Blazer Arena

Neil Saling, Regional Facilities Director, distributed a revised attachment B to Resolution No. 91-1527. He then gave a brief overview of the proposed Memorandum of Understanding (MOU), and Chair Knowles pointed out that all Committee members present had been briefed on the issues.

Chair Knowles said Ted Runstein, MERC Chair, had requested an amendment to the MOU. Mr. Runstein's request dealt with a provision in the Trail Blazers' lease at the Coliseum which calls for a guaranteed minimum payment from parking and concession revenue generated at Trail Blazer games. Lee Fehrenkamp, MERC General Manager, said the lease guarantees the Trail Blazer's a minimum of \$475,000 per season from these revenues, but Arena construction will result in fewer parking spaces which will reduce parking revenue. MERC staff estimated the cost to the Spectator Facilities Fund would be \$100,000 in FY 1992-93. MERC proposes the formula used to determine revenues be discussed in the Operations Agreement for the Coliseum and be adjusted to reflect the anticipated reduction in parking revenue.

Chair Knowles asked if the \$100,000 figure included calculations projecting a \$700,000 net loss for the Coliseum next year. Mr. Fehrenkamp responded that the \$700,000 figure was determined by assuming a 60% parking loss for all events, a reduction in overall business because certain events may not come to Portland, and a reduction in the number of people attending events. Chair Knowles asked whether MERC staff had discussed their proposed amendment with the City of Portland. Mr. Fehrenkamp said he had talked with Commissioner Lindberg's Executive Assistant. Councilor McFarland asked whether they were asking to solve the problem in the MOU, or just open the door for discussion. Mr. Fehrenkamp said it was just to give them the opportunity to resolve it.

Chair Knowles said he received the letter that morning and didn't want to amend the resolution to include the MERC amendment unless the City of Portland did so also. He wanted to have both bodies adopt the same MOU. He said the Council could amend the resolution on Thursday, November 14, 1991 if the City Council amended it when they considered it on Wednesday, November 13, 1991. Councilor McFarland said she would have trouble supporting the resolution without this provision. Chair Knowles said Metro would know on Thursday how the City had acted and why they acted as they did. He said the Council could then act appropriately.

Chair Knowles opened the meeting for public testimony. No citizens appeared to testify. Chair Knowles closed the public hearing.

Motion: Councilor Gardner moved to recommend Resolution No. 91-1527 to full Council for adoption.

Councilor Buchanan asked for discussion on the admissions tax offset called for in the MOU. He said he wasn't sure why it was there. Mr. Saling said the 6% user fee was a key part of the proposal as it will pay a large portion of the debt service for the City's revenue bonds. He added the Trail Blazer organization thinks that having facility users pay the public obligation rather than levying a separate tax is a key concession. He said doubling up on the user fee with a comparable admissions tax would have a negative effect with promoters and ticket buyers. Councilor Buchanan said he was not comfortable with this "tax writeoff". He said he would support the resolution, but with the personal reservation that he doesn't like the appearance of the offset. Councilor Knowles said this was one of the toughest issues for the Arena Task Force and for him personally because of the impact it would have on long-term support of the other facilities.

Councilor Gardner noted two points of concern. First, he said that any excess revenues from the Coliseum should go first to debt service, then to the other facilities. Councilor Knowles pointed out that the City has a proposed resolution that says this. Second, he asked that a provision be included in the appropriate agreement that directs how applicable proceeds are to be spent after the bonds are retired.

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

4. Review of 5-year Financial Planning Historical Analyses for Zoo and Regional Facilities Departments

Mr. Saling distributed a matrix showing the Regional Facilities Department programs. He explained the department was new and the historical data was fragmented from previous functions. He noted projected future programs for the department would be included in subsequent reports.

Mr. Rich distributed a handout and summarized it, a copy of which is included in the record of this meeting. The report included factual past data on revenues and attendance.

Councilor Gardner questioned the effects of Ballot Measure 5 on the Zoo. Mr. Rich said the effects were not as significant as originally estimated.

Councilor Buchanan asked if increased attendance was anticipated due to the projected population increase in the region. Mr. Rich said any increase would be offset by no new exhibits being

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constructed. Mr. Rich said the Zoo was planning other functions to help increase attendance.

With no further business before the Committee, Chair Knowles adjourned the meeting at 4:55 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Susan Lee". The signature is written in black ink and is positioned above the typed name and title.

Susan Lee  
Committee Clerk