Oregon Zoo Bond
Citizens Oversight Committee

Oregon Zoo - Cascade Grill Sunset Room
February 10, 2010
2:00-4:30 p.m.

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda

AGENDA

A.	Welcome	David Bragdon
B.	Overview of Agenda	Sheryl Manning
C.	Introductions	Sheryl Manning
D.	Bond Organizational Overview	Scott Robinson
E.	Metro Auditor Comments	Suzanne Flynn
F.	Overview of Oregon Zoo Bond	Mike Keele
G.	Status of the Oregon Zoo Bond	Craig Stroud
H.	Veterinary Hospital – Case Study	Craig Stroud/Jim Mitchell
I.	Reporting Framework	Craig Stroud
J.	Committee Decision and Next Meeting	Sheryl Manning

Next Meeting Dates – 2nd Wednesday of the month in May, Aug, Nov and Feb (2:00-4:30 p.m.)

- May 12
- August 11
- November 10
- February 9, 2011

K. Information / Background Items

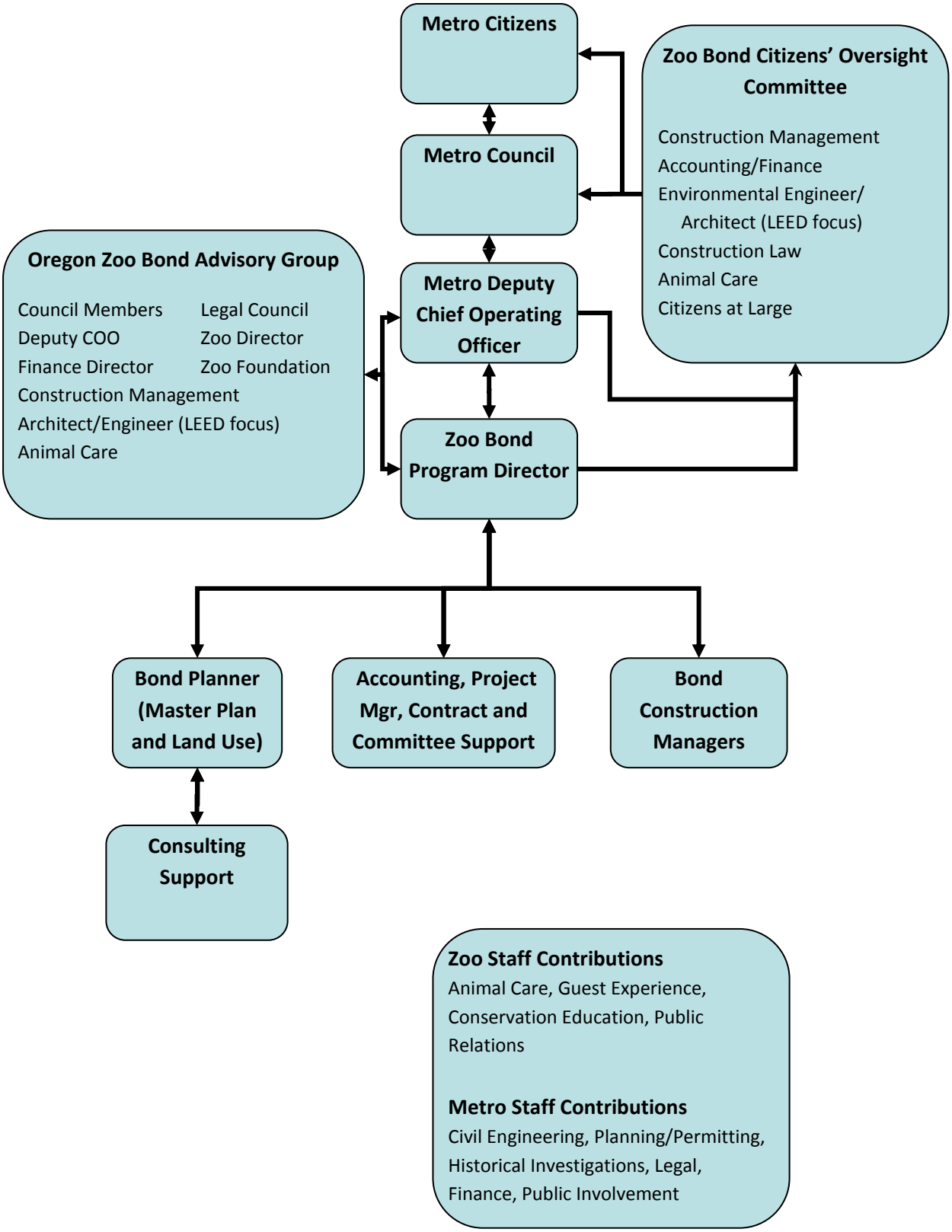
- K-1 Oversight Ordinance
- K-2 Oversight Ordinance – Staff Report
- K-3 Oversight Resolution Appointing Members
- K-4 Moss Adams Report on FY2009 Bond Expenditures

Zoo Bond Governance

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item D



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Oregon Zoo Bond Advisory Group

Charter

A. The Oregon Zoo Bond Advisory Group's Official Designation

The official designation of this advisory group is the "Oregon Zoo Bond Advisory Group".

B. The Advisory Group's Objective and Scope of its Activities

The mission of the Oregon Zoo Advisory Group (hereinafter the "Advisory Group") is to make recommendations to the Oregon Zoo Bond Program Manager regarding planning and implementation surrounding the planning, permitting, contracting and construction activity reflected in the November of 2008 Metro Zoo Bond. Issues or questions to be considered by the Advisory Group will include, but are not limited to the following topic areas:

- Special district and/or master plan considerations
- Anticipated timing and impacts of anticipated bond activity
- Animal care impacts
- Patron access impacts
- Financial impacts to Zoo operations
- Washington Park Association, Neighborhood and other stakeholder considerations
- Implementation of the Oregon Zoo "Eco-District" Vision
- Transportation needs and impacts

C. Period of Time Necessary for the Advisory Group to Carry Out its Purpose

The Advisory Group is established for a period of three (3) years from the original charter date of 7/14/2009. The charter may be renewed annually thereafter.

D. Official to Whom the Advisory Group Reports

Deputy Chief Operating Officer of Metro

E. Agency Responsible for Providing the Necessary Support

The Oregon Zoo will provide the facilities and support staff necessary to conduct meetings of the Advisory Group. Advisory Group members will not be compensated for their services. The Advisory Group will, however, pay costs associated with the provision of reasonable accommodations for people when such costs are directly associated with the conduct of the Advisory Group's meetings, or are directly associated with the conduct of subgroup meetings.

F. Description of the Duties for Which the Advisory Group is Responsible

In keeping with its advisory role, the duties of the Advisory Group will be to provide general guidance to the Zoo Bond Program manager, and to gather data and information and to perform those analyses that are necessary to respond to the questions or matters before it.

Zoo Bond Governance

G. Estimated Number and Frequency of Advisory Group Meetings

The Advisory Group shall meet a minimum of four (4) times per year. The Advisory Group is authorized to facilitate its work through informal subgroups, which shall report their activities and recommendations to the Advisory Group as a whole. It is anticipated that the work of subgroups will be conducted primarily through telephone calls, e-mail correspondence, and e-mail discussion lists. Recommendations of subgroups must be reported to the Advisory Group as a whole, and only as modified or ratified by the Advisory Group as a whole, may such recommendations be included in the official record of the Advisory Group's proceedings, and reported to the Deputy Chief Operating Officer.

H. Advisory Group's Termination Date

The Advisory Group shall terminate three (3) years from the renewal date of this charter, unless renewed prior to the termination date. A decision whether to renew shall include input from Advisory Group members.

I. Membership

Members of the Advisory Group shall be appointed by the Metro Deputy Chief Operating Officer in consultation with the Chairperson of the Advisory Group and appropriate staff. Members will be selected to balance the expertise and viewpoints that are necessary to address effectively the issues to be considered by the Advisory Group. Members will be recognized experts in their fields, including but not limited to, real estate law, financial management, facility management, and facility planning and construction management. Members should be prepared to attend four (4) meetings per year of the Advisory Group, and are also expected to participate regularly in the deliberations of subgroups.

Members will have an initial and continuing obligation to disclose any interests in, or connections to, persons or entities who are, or will be, regulated by, or who have interests before the Oregon Zoo or Metro.

J. Chairperson

The Chairperson of the Advisory Group shall be the appointed by the Deputy Chief Operating Officer of Metro.

K. Meetings

Meetings shall be at a time and location to be determined by the committee chair.

L. Date of Charter

Revised: January 28, 2010 (yet to be ratified by the Advisory Group – revisions limited to replacement of the term "committee" to "group")
Revised: November 2, 2009
Original: July 14, 2009

Charter - Draft

Zoo Bond Citizens' Oversight Committee

The bond measure called for creation of an independent citizen oversight committee to provide a third-party review of the Oregon Zoo Infrastructure and Animal Welfare Bond Program progress and to monitor spending. The committee will also consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates. The committee's charge is to determine if the program is on the right path in terms of structure, management, expenditures, personnel and achievement of defined goals.

The committee will not make specific project decisions, but rather look at how decision-making occurs and how business is conducted. Are the right processes and tools in place? Are the right people working on the program? Is quality control adequate? Are the program results on track and on schedule? What, if any, improvements are needed to ensure that Metro is maintaining the public's trust and realizing the best possible value for the money?

It is expected the oversight committee will expand and finalize a charter upon convening.

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item F-1

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF SUBMITTING TO THE METRO AREA VOTERS A GENERAL OBLIGATION BOND INDEBTEDNESS IN THE AMOUNT OF $125 MILLION TO FUND OREGON ZOO CAPITAL PROJECTS TO PROTECT ANIMAL HEALTH AND SAFETY, CONSERVE AND RECYCLE WATER, AND IMPROVE ACCESS TO CONSERVATION EDUCATION; AND SETTING FORTH THE OFFICIAL INTENT OF THE METRO COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT OF THE PROCEEDS OF SAID BONDS UPON ISSUANCE	)	RESOLUTION NO. 08-3945 Introduced by Metro Council President David Bragdon

WHEREAS, on April 13, 2006, the Metro Council adopted Resolution 06-3659, "For the Purpose of Establishing the Oregon Zoo Future Vision Committee," which established the Oregon Zoo Future Vision Committee to recommend updates to the Oregon Zoo's master plan, changes to the Oregon Zoo's conservation and environmental education programs, and operating reforms to address the Oregon Zoo's systemic fiscal challenges; and

WHEREAS, the Oregon Zoo Future Vision Committee returned its reports to the Metro Council on October 4, 2007, with recommendations including updating the Oregon Zoo's master plan and enhancing the Oregon Zoo's infrastructure, and recommending strengthening the Oregon Zoo's leadership role in wildlife conservation and environmental education; and

WHEREAS, the Metro Council directed The Oregon Zoo Foundation to perform additional research, narrow down options, and put forth infrastructure improvement recommendations for a potential November 2008 ballot measure for a bond to fund capital improvements at the Oregon Zoo; and

WHEREAS, The Oregon Zoo Foundation, working with Oregon Zoo staff, researched infrastructure improvements and reported this information to the Metro Council on April 29, 2008, with recommendations to the Metro Council for specific capital projects and the size of a capital bond; and

WHEREAS, the Metro Council now wishes to accept the capital improvement project recommendations of The Oregon Zoo Foundation (hereafter, the "Project") and affirm the desirability of providing the long-term financing to fund them; and

WHEREAS, the Metro Council is authorized under the laws of the State of Oregon and the Metro Charter to issue bonds and other obligations payable from ad valorem property taxes upon voter approval, for the purpose of providing long-term financing for Oregon Zoo capital improvement projects; and

WHEREAS, pending the issuance and availability of the proceeds from the sale of such bonds, some expenditures will be made in connection with the Project that have been and will be paid on an advance basis, with the expectation and intent that Metro will be reimbursed for all such advances out of the bond proceeds as and when the same are issued; and

WHEREAS, United States Treasury Regulation 1.150-2 requires issuers of tax-exempt bonds to declare their intention if the issuers intend to use bond proceeds to reimburse expenditures that are initially funded from other sources; now therefore

BE IT RESOLVED:

1. That the Metro Council hereby submits to the qualified voters of the Metro Area the question of contracting a General Obligation Bond Indebtedness in the maximum principal amount of $125 million, to fund a series of capital improvement projects at the Oregon Zoo to protect animal health and safety, conserve and recycle water, and improve access to conservation education as generally described in Exhibit A attached hereto. The bonds shall mature over a period of not more than 21 years; and

2. That the Metro Council hereby certifies the Ballot Title attached as Exhibit B for the placement of the Bond Measure on the ballot for the November 4, 2008 General Election; and

3. That the Metro Council authorizes and directs the Metro Chief Operating Officer to submit this Resolution and the Ballot Title to the Elections Officers for Clackamas, Multnomah and Washington Counties, the Secretary of State, and the Tax Supervising and Conservation Commission in a timely manner as required by law; and

4. That the Metro Council authorizes and directs the Metro Chief Operating Officer to submit the Bond Measure, the Ballot Title, and a Explanatory Statement prepared by the Metro Attorney pursuant to Metro Code Section 9.02.045 to the County Elections Officers for inclusion into the Clackamas, Multnomah and Washington County voters' pamphlets for the November 4, 2008 General Election.

ADOPTED by the Metro Council this 8th day of May 2008.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Officially Approved Approvato Ufficialmente Consiglio Metropolitano Metro Council METRO COUNCIL

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ZOO/OMA/DBC/JEM/sm 4/30/08

Metro Council Resolution 08-3945

Exhibit A

2008 ZOO BOND MEASURE

History

Over the last two years, the Metro Council, Zoo leadership, the Oregon Zoo Foundation Board, Zoo staff and community leaders have been working together to develop a plan and vision for the future of the Oregon Zoo. Along the way, it has become apparent that the Oregon Zoo is a local community treasure and an educational and economic asset to the region. The Oregon Zoo attracts over 1.4 million visitors annually, employs 152 full-time equivalent regular staff, and 140 full-time equivalent temporary and seasonal staff. Meanwhile, hundreds of Zoo volunteers donate tens of thousands of hours of free time annually in support of Zoo programs. While receiving national awards for its success in protecting threatened and endangered species, the Zoo has also provided generations of adults and families with invaluable hands-on-learning about animals and conservation and rich one-of-a kind recreational experiences. However, during all that time, key parts of the Zoo have aged, become out of date and even worn out. The Zoo was built in 1958 and has a limited 50-acre footprint that is challenged by geography. During the course of planning for the future, it has become more and more evident that portions of the Zoo need updating, mending, and replacing. In order to preserve the Zoo's legacy of quality, and to continue to deliver the kind of experience that the public deserves and expects, investments must be made promptly in some key areas of need.

Purpose and Intent

On March 3, 2008, after two years of study, the collaborative effort of all the participants led the Oregon Zoo Foundation Board to recommend a request to the Metro Council to refer a Zoo bond measure to the voters. The bond measure is primarily intended to raise money to pay for Zoo capital improvement projects that will: provide more humane care for Zoo animals, protect animal health and safety, increase access to conservation education, conserve water and harvest storm water for reuse, and improve water quality.

Community Involvement

Metro recognized the importance of involving outside experts, federal state and private partners, science and zoological partners in planning for and establishing the Zoo's needed capital investments. The bond measure referral represents the culmination of nearly two years of planning, with significant input provided by community members. The Zoo Future Vision Committee included several Oregon Zoo Foundation board members, as well as several independent citizens. As part of the process, the Committee interviewed community stakeholders, ranging from neighboring non-profit organizations (Oregon Children's Museum, Hoyt Arboretum) to the City of Portland Parks Commissioner. After the Future Vision Committee provided its report out to the Metro Council, the Oregon Zoo Bond Committee then vetted the recommendations from the Master Plan and ultimately put forth a package of recommendations which form the basis for the referral.

Projects

To the extent feasible, all of the projects detailed below will be designed and built using the appropriate sustainable building practices.

1. MORE HUMANE CONDITIONS FOR ELEPHANTS:
Providing more indoor and outdoor space.

Need:
There are growing concerns from zookeepers and the public about the Zoo's indoor and outdoor elephant facilities and spaces. The zoo's elephant barn, built to house elephants in 1959, is small and filled to capacity. The indoor on-exhibit and off-exhibit spaces are limited -- providing little space for the elephants to walk or exercise. Depending on weather conditions, elephants can spend long hours in the inside spaces. The outdoor elephant space is un-natural and restricts the range of activities for elephants, particularly the opportunity to move about and explore. The current elephant spaces restrict exercise options and provide limited outside access.

Although zookeepers provide daily doses of exercise and stimulation, elephants have complex needs that include frequent activity and the stimulation of exploring and interacting with their environment. For all the quality care provided by zookeepers, the fact remains that the elephants' space is limited. Lack of space, lack of exercise and lack of stimulation, may contribute to health problems like arthritis and foot problems.

The zoo is home to six elephants living on about 1.5 acres. Many zoos with a comparable number of elephants are improving and expanding their elephant space and facilities. Expanded spaces and upgraded facilities will improve elephant health and welfare by providing more options for extending outside access, increasing exercise opportunities, and offering a more natural and stimulating environment for elephants.

Description:
This project will provide better conditions for elephants short-term and long-term. Space for elephants will increase from 1.5 acres to 6 acres. The space will be naturalized to include watering holes, shade structures, large trees and boulders, with a thicket of bamboo as a backdrop. The zoo is exploring the feasibility of providing an off-site area for elephants. Funds are set aside for potential capital needs of off-site space. The 49 year old elephant barn will be replaced with a larger building featuring two communal rooms, several other rooms and upgraded conditions for elephants.

If the Oregon Zoo is to continue to be a national leader in Asian elephant protection and conservation education, it must provide more space and better conditions for elephants. More space and better facilities will provide more humane conditions for the elephants.

2. PROTECTING ANIMALHEALTH AND SAFETY:

Replacing the zoo's 45 year old animal hospital and quarantine facilities.

Need:

The zoo's veterinarians are top-notch, but they are working in outdated, substandard facilities which failed to meet the standards of the Association of Zoos and Aquariums.

The AZA has deemed the zoo's animal quarantine facility substandard. Built forty-five years ago, it has inadequate lighting, heating, ventilation and drainage. It has been noted for it rusty and crumbling walls and doors. Some surfaces are difficult to sanitize because of degradation and may provide foreign objects subject to ingestion by animals. It has a floor that can damage the hooves of some animals.

The veterinary facility is deficient. Current clinical spaces are very small and cramped. They have poor lighting and drainage, and lack controls for minimizing disease transmission. Moving large animals in and out is difficult. It has been retrofitted several times to accommodate more modern equipment, but has reached a point where more retrofitting is not feasible.

Failure to bring these facilities up to standard could jeopardize the zoo's national accreditation and seriously affect both the zoo's reputation in the community and its ability to participate in critical breeding and species conservation programs. These conditions create a poor environment for maintaining and providing animal healthcare and safety.

Description:

Improvements will occur in animal holding. Specific holdings will be designed to accommodate aquatic birds and mammals, primates and large carnivores, hoof stock as large as zebra and large antelope. Climate controlled spaces will meet the needs of reptiles and sick birds. Enclosure substrates will be improved to increase safety and comfort for animals and will include heated flooring and in some cases, rubberized flooring.

Hospital enclosures will be designed for ease of cleaning and disinfection as well as reducing stress for hospitalized and quarantined animals, improving options for environmental enrichment as well as providing safe and efficient means to handle animals for medical treatments. The air from the animal holding areas will be isolated from other areas so we can safely quarantine and hold sick animals while reducing the risk of transmitting diseases to other animals and hospital personnel.

The facilities will provide an efficient floor plan for medical treatments, surgeries and other procedures and provide safe space for confining or holding animals, controlling communicable diseases.

Animal health and safety will be improved by replacing the zoo's aging and substandard veterinary and animal quarantine buildings with facilities that meet standards set by the Association of Zoos and Aquariums.

3. PROTECTING THE HEALTH OF POLAR BEARS:

Replacing concrete with pools, more space and more humane conditions.

Need:

The current exhibit is almost entirely concrete and the expanses of concrete generate a very high heat load in the summer. Last summer surface heat readings were confirmed at over 100 degrees. This exhibit is basically the same footprint of the original facilities from 1959. Although renovated in 1980, the entire exhibit needs improvements to provide more humane conditions for polar bears. Renovations over the years have completely enclosed the bears, creating visual barriers and preventing any 'long views' for the animals. The current space, both land and pools, do not meet the Manitoba Protocols established for zoo polar bears.

Zookeepers have done a good job of providing enrichment for the bears, but stereotypy (a pattern of persistent, fixed and repeated meaningless movements, e.g. pacing) has been observed with these bears.

Current behind-the-scenes areas make routine animal-management activities, such as separations, training, introductions, and long-term denning, challenging for zookeepers and the animals. It is difficult to provide medical procedures on-site due to cramped conditions and poor lighting. All of the polar bear holding areas need increased ventilation and improved lighting to protect polar bear health and safety.

Description:

As the world's largest land predators, polar bears need space, and the proposed rebuild will offer them not only more room, but also a safer and more natural habitat to explore. Natural substrate, interesting views, scratching logs, and enrichment infrastructure can reduce the incidents of stereotypy according to a multi-zoo study. Adding complexity to the pools, such as islands, could encourage natural behaviors.

The remodel is needed to increase access to natural substrate; renovate and increase the efficiency of the water-filtration system; reduce temperatures; chill the pool water; and increase both land and pool space. Remodeled holding areas would have better lighting and ventilation, allowing better care for the animals. Space requirements, water quality, and housing conditions will meet or exceed the Manitoba Protocols established for zoo polar bears.

4. MORE HUMANE ENCLOSURES FOR APES & MONKEYS:
Replace plain and sterile areas with trees, rocks, and water.

Need:
Of all the animals at the zoo, primates are the most intelligent and the most in need of large complex spaces. Presently, the zoo's primates reside in small and out-dated facilities that were built when the zoo opened on its current site in 1959. The building has undergone cosmetic improvements over the years, but it is time to improve conditions for chimpanzees, mandrills and other monkeys and rework the aging structure. The primate's current space is plain, sterile and cage-like with no running water, no forest canopy and no interactions with species they would live with in the wild.

Behind-the-scenes primate spaces are small and mechanically failing. The holding areas are too small for the animals. These spaces also lack adequate ventilation and air circulation. The plumbing system is challenged and drains are constantly plugged. The holding spaces are insufficient for long-term holding of animals during new animal introductions or following medical exams.

Description:
The rebuilt exhibit would provide expanded homes for primates and allow for the addition of smaller mammals and birds. Enlarged indoor and outdoor areas would give chimpanzees, mandrills and other monkeys and apes a sustainable and enriching environment.

A chimpanzee's lifespan is no more than 50 years, and the chimps at the zoo are all over 34. The new exhibit will be able to add new, younger chimps to its group. Possibly allowing them to breed. Larger, more natural habitats for the chimpanzees make it possible to support baby chimpanzees.

Zookeepers will be able to separate the animals as necessary in the reworked exhibit without denying them an enriching environment. New holding spaces would allow keepers to address the monkeys and apes needs on a daily basis, provide better health care and generally improve conditions for the animals.

5. IMPROVING CONSERVATION EDUCATION

Add dedicated space for conservation education

Need:

Every day at the Oregon Zoo, kids and adults can take advantage of presentations about rare and threatened species. They touch and interact with animals, learn through play how animals live in their natural environments and watch science in action. These activities are fun, educational and provide memories for generations. The zoo provides hands on learning, group presentations and summer camp to over 100,000 kids and adults a year.

These programs are filled to capacity every year, even though they are provided in limited and inadequate space -- two 12 year old modular trailers, a former storage space, a basement and leased off-site space are used for group presentations. Camps get bumped all summer for competing uses and the basement space is shared with catering. The quality of the programs exceeds the limitations of the space.

Description:

Dedicated space for programming in a new Conservation Discovery Zone would increase both the quality and quantity of conservation education opportunities at the zoo. It would provide spaces for classes, camps, exhibits, presentations and hands-on learning for children, families and adults. There would be space for traveling and temporary exhibits. An Insect Zoo and Butterfly Lab would provide hands-on learning. Access to facilitate safe arrival and departure of groups and camp kids, as well as bathrooms, also would be included in the project.

6. UPGRADING ZOO FACILITIES TO SAVE WATER AND ENERGY:

Updating and installing energy and water saving measures, increase recycling and improve water quality.

Need:

Most of the zoo's infrastructure dates back to the 1950s and '60s. Pipes, plumbing and irrigation systems are outdated, leaking and well past their useful lives. Although the zoo has successfully implemented water conservation programs they have been small, scattered and limited in their success because of the aging system. The most expensive utility cost at the zoo is water, and leaking pipes, run-off, inadequate filtration systems, and lack of water storage all contribute to wasting water and increasing costs. The 55-acre zoo is serviced by a 1950's water system that currently discharges storm water into the sanitary system. This not only wastes water and increases costs, but also contributes to downstream water degradation.

To maintain and improve water quality, and as a measure of sustainable operations, the City of Portland requires that any new development must separate storm water from the sanitary sewer systems. Complying will require a substantial separation installation of new pipelines that connect to the City of Portland's recently installed "Big Pipe" along Highway 26.

Today, traditional energy sources are used for cooling buildings, heating water, and providing power at the zoo. New technologies for on-site energy generation could reduce energy consumption and the zoo's carbon footprint.

Description:

<u>Storm Water & Waste Water</u>

Literally millions of gallons of water per year and thousands of dollars would be saved through a major rebuilding of the zoo's water distribution system. Central plant piping systems would be installed. Leaking pipes would be replaced and drainage systems would be re-plumbed. On-site wastewater-management and water-storage tanks would allow re-use of water and harvesting of nutrients from wastewater through a biologically and technically diverse system. City requirements for separation of storm water would be met, allowing for the permitting of other zoo projects. The new system should be serviceable for the next 50 years.

<u>Energy</u>

A combination of solar panels, microturbines and absorption processes will generate energy on-site. A central plant approach would serve building operations. Buildings will be designed to capture solar warmth, natural light and natural ventilation. Trees will cool buildings in summer. The goal will be to produce substantial energy on-site.

7. VIEWING THE THREATENED CONDOR:

Providing space to fly.

Need:

The condor, a Pacific Northwest native bird, is an endangered species and was last sighted in Oregon more than 100 years ago. Known as Thunderbird by many Northwest tribes, condors can weigh up to 31 pounds with wingspans of nearly 10 feet.

In 2003, the zoo began a breeding program to preserve the rare bird at an off-site facility, one of only four breeding facilities in the country. The program has been successful, and several Oregon-bred condor chicks have been reared and released into the wild. Some birds however fail to thrive in the wild and could be shared with the public.

Because of the zoo's its success in breeding condors, the US Fish and Wildlife Service has asked for its assistance in broadening national awareness and understanding of these birds and their needs for survival.

Description:

The public has been able to read about and see photos of condors from the zoo's breeding facility, but a new exhibit at the zoo would allow them to see the birds themselves. After successfully breeding and releasing endangered condors, the zoo can now share these rare birds (those birds that cannot be released in the wild) with the public. This project would create a new exhibit with room for the birds to fly.

The zoo is a national leader in broadening awareness and understanding of condors and their survival needs. This exhibit will provide the public with a rare opportunity to see the threatened Northwest native bird and contribute to increasing the awareness of the needs to protect this endangered species.

8. MORE EFFICIENT AND BETTER HABITAT FOR HIPPOS:

Saving millions of gallons of water with upgrades and improving hippo habitat.

Need:

The zoo dumps and refills its 36,000-gallon hippo exhibit pool and two holding pools on nearly a daily basis. Because hippos defecate in water, zookeepers must drain, clean and disinfect the pools regularly to protect the animals from harmful bacteria. Each year this uses nearly 6 million gallons of water. In addition to water inefficiencies, the current exhibit provides the hippos with minimal access to natural substrate and is too small to create a natural habitat that allows interactions with other species.

Description:

A modern water filtration system would be installed, cutting water usage by 80 percent and saving 4.8 million of gallons of water while ensuring the hippos' health and welfare. Filtered water will be recycled and prepared for another use on the zoo grounds. Waste materials filtered from the water would be repurposed and used as compost. Adding passive heating will heat the hippo pools. A new exhibit design would increase natural substrate spaces for hippos as well as adding additional compatible African species. The remodeled hippo exhibit would be more efficient and provide better conditions for the hippos.

9. SAVING WATER & COSTS AT THE PENGUIN EXHIBIT

Installing a modern filtration system.

Need:

The Oregon Zoo's penguinarium, built in 1959, is outdated and in need of a remodel to take advantage of energy-efficient, water-conserving technology. Because penguins have oily feathers, a constant source of running water is needed to keep the exhibit pool water clean, reduce surface scum, and protect penguins from harmful bacteria. This system uses 25,000 gallons of water every day, seven days a week. And because penguins defecate in the exhibit pool, the entire pool needs to be dumped every other week. Nine million gallons of water are used in the penguin exhibit annually. The original design of the penguinarium has limited the zoo's ability to install new water conservation and filtration technology.

Description:

Installing a modern filtration system that filters and recycles water for the 25,000-gallon penguin pool would reduce water usage by 80 percent, saving more than 7 million gallons of water per year.

Bond Project Costs and Bond Funding

The capital facility needs that are to be funded under the proposed bond measure are estimated to cost $125 million. This figure is based on conservative individual project cost estimates, as well as financing analyses that include project cost inflation and unspent bond earnings assumptions. Funds remaining in excess of actual total combined project costs, if any, will be spent on further capital facility needs identified in the Oregon Zoo master plan and recommended by the citizens oversight committee, set forth below.

Allowed expenditures from the bond issue include capital improvement project costs, bond issuing costs, and reimbursable bond preparation expenses relating to preliminary planning, design and cost estimates. Bonds will be issued in multiple trenches. The maturity date of each bond issue will be determined such that the overall cost to taxpayers will be less than nine cents per $1,000 of assessed value per year, but in no event will the bonds mature more than 21 years from their issue date. The estimated property tax to Metro area home owners is $1.38 per month, or $16.56 annually.

Public Accountability Plan

A citizen's oversight committee will be appointed by the Metro Council and convened periodically to review progress on the project improvements and monitor spending. The committee will also consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates. An independent public accounting firm will perform an annual financial audit of bond spending. The results of the annual audit will be published in the local newspaper of record.

Exhibit B
Ballot Title

"Caption: Bonds to protect animal health and safety; conserve, recycle water."

"Question: Shall Zoo protect animal health and safety; conserve, recycle water; issue $125 million in general obligation bonds; require independent audits? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution."

"Summary: Measure will:

- **Provide more humane care for animals:** update four outdated and undersized enclosures with larger, more natural and safer spaces.
- Protect animal health and safety: modernize Zoo's substandard 45 year old animal clinic determined deficient by the American Zoo Association.
- **Increase access to conservation education:** provide more space for summer camps, classes and hands-on learning for kids, adults, and families.
- **Improve water quality:** replace the Zoo's 1950's sewer system, reducing pollution by separating sewage from storm water, harvesting runoff for reuse.
- **Conserve, reuse water:** install water recycling filtration systems; replace leaking, worn-out plumbing, irrigation systems, saving 11,000,000 gallons of water annually.

Improvements will meet sustainability standards.

Accountability requirements include:

- **Internal audits**
- **Annual independent financial audit published in newspaper**
- **Citizens' oversight committee to monitor spending and recommend project modifications if needed**

Bond cost estimate less than 9 cents per $1,000 assessed value per year. The average home owner in the region pays $1.40 a month. Bonds mature in 21 years or less."

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 08-3945, FOR THE PURPOSE OF SUBMITTING TO THE METRO AREA VOTERS A GENERAL OBLIGATION BOND INDEBTEDNESS IN THE AMOUNT OF $125 MILLION TO FUND OREGON ZOO CAPITAL PROJECTS TO PROTECT ANIMAL HEALTH AND SAFETY, CONSERVE AND RECYCLE WATER, AND IMPROVE ACCESS TO CONSERVATION EDUCATION AND SETTING FORTH THE OFFICIAL INTENT OF THE METRO COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT OF THE PROCEEDS OF SAID BONDS UPON ISSUANCE.

Date: April 30, 2008 Prepared by: Craig M. Stroud

BACKGROUND

On April 13, 2006, the Metro Council adopted Resolution 06-3659, "For the Purpose of Establishing the Oregon Zoo Future Vision Committee," which established the Oregon Zoo Future Vision Committee to recommend updates to the Oregon Zoo's master plan, changes to the Oregon Zoo's conservation and environmental education programs, and operating reforms to address the Oregon Zoo's systemic fiscal challenges.

The Oregon Zoo Future Vision Committee returned its reports to the Metro Council on October 4, 2007, with recommendations including updating the Oregon Zoo's master plan and enhancing the Oregon Zoo's infrastructure, and recommending strengthening the Oregon Zoo's leadership role in wildlife conservation and environmental education.

The Metro Council directed The Oregon Zoo Foundation to perform additional research, narrow down options, and put forth infrastructure improvement recommendations for a potential November 2008 ballot measure for a bond to fund capital improvements at the Oregon Zoo.

The Oregon Zoo Foundation, working with Oregon Zoo staff, researched infrastructure improvements and reported this information to the Metro Council on April 29, 2008, with recommendations to the Metro Council for specific capital projects and a $125 million capital bond.

See Exhibit "A" to Resolution 08-3945 for the description of zoo capital projects funded by the bond measure proceeds.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the bond referral at this time.

2. Legal Antecedents

Metro is authorized under ORS 268.520 and the Metro Charter, Chapter III, Sections 10 and 12, to issue and sell voter-approved general obligation bonds in accord with ORS Chapter 287 and 288, to finance the implementation of Metro's authorized functions.

3. Anticipated Effects

The effect of this resolution will be the referral to voters of a general obligation bond measure in the November 2008 general election.

4. Budget Impacts

The referral of this measure to the voters will require Metro to pay for election expenses. This amount varies based on the number of issues on the ballot, and the number of region-wide items on the ballot. The FY 2008-09 budget includes $290,000 in contingency for a regional ballot measure.

At the recommendation of the Tax Supervising and Conservation Commission (TSCC), the budget for FY 2008-09 does not anticipate program expenditures related to a November 2008 general obligation bond measure. Oregon budget law provides for a full exemption from budget law for the expenditure of voter approved bond proceeds in the year the bonds are approved. The exemption begins the day the bonds are sold. Should the department need interim appropriation authority between voter authorization and sale of the bonds, or should additional staff be needed to implement the bond funded projects, the Council has the legal authority to establish appropriation or authorize new FTE through budget ordinance after passage of the measure. Staff will work with Council on the development of the bond program following the November election. If the bond measure is successful, certain related expenses, such as design and engineering, may be reimbursed from bond proceeds.

RECOMMENDED ACTION

Staff recommends adoption of Resolution No. 08-3945.

Oregon Zoo Bond
Projects Description Summary
as of 1/28/2009

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item F-2

VETERINARY HOSPITAL

Anticipated start / status Construction drawings to be finished – February, 2010
To bid – March, 2010
Groundbreaking – July, 2010

Anticipated finish November, 2011

Target budget *(2008 $)* $9,600,000 (originally targeted at $9.2mm, revised in January 2010)

Scope *(based on wording of bond measure)*
Improvements will occur in animal holding. Specific holdings will be designed to accommodate aquatic birds and mammals, primates and large carnivores, hoof stock as large as zebra and large antelope. Climate controlled spaces will meet the needs of reptiles and sick birds. Enclosure substrates will be improved to increase safety and comfort for animals and will include heated flooring and in some cases, rubberized flooring.

Hospital enclosures will be designed for ease of cleaning and disinfection as well as reducing stress for hospitalized and quarantined animals. The air from the animal holding areas will be isolated from other areas so we can safely quarantine and hold sick animals. The facilities will provide an efficient floor plan for medical treatments, surgeries and other procedures and provide safe space for confining or holding animals, controlling communicable diseases.

The zoo's aging and substandard veterinary and animal quarantine buildings will be replaced with facilities that meet standards set by the Association of Zoos & Aquariums.

PENGUIN FILTRATION

Anticipated start / status Design contract awarded, construction drawings to be finished July, 2010
To bid – July, 2010
Groundbreaking – September, 2010

Anticipated finish March, 2010

Target budget *(2008 $)* $1,000,000 (originally targeted at $2.1mm. Attempting to strictly limit scope to water filtration at a reduced project cost, thereby, protecting bond funds until overall project master planning is complete and funding confidence increases)

Scope *(based on wording of bond measure)*
Water usage will be reduced by 80 percent by installing a modern filtration system that filters and recycles water for the 25,000-gallon penguin pool.

ELEPHANTS OFFSITE

Anticipated start / status Site selection matrix - February, 2010
Site acquisition and construction - TBD
Anticipated finish TBD
Target budget *(2008 $)* $12,000,000

Scope *(based on wording of bond measure)*
There was no specific language in the bond measure regarding the nature of the offsite habitat.

ELEPHANTS ONSITE

Anticipated start /status TBD
Anticipated finish TBD
Target budget *(2008 $)* $19,600,000

Scope *(based on wording of bond measure)*
Exhibit area will increase from 1.5 acres to approximately 6 acres. The space will be naturalized to include watering holes, shade structures, large trees and boulders, with a thicket of bamboo as a backdrop. The elephant barn will be replaced with a larger building featuring two communal rooms, several other rooms and upgraded conditions for elephants. The overall promise is to "provide more space and better (more humane) conditions for elephants".

PRIMATES

Anticipated start / status TBD
Anticipated finish TBD
Target budget *(2008 $)* $22,200,000

Scope *(based on wording of bond measure)*
The rebuilt exhibit will provide expanded homes for primates and allow for the addition of smaller mammals and birds. Enlarged indoor and outdoor areas will give chimpanzees, mandrills and other monkeys and apes a sustainable and enriching environment. The zoo will enlarge the new exhibit to be able to add new, younger chimps to its group, possibly allowing them to breed. Larger, more natural habitats for the chimpanzees would make it possible to support baby chimpanzees.

Zookeepers will be able to separate the animals as necessary in the reworked exhibit without denying them an enriching environment. New holding spaces would allow keepers to address the monkeys and apes needs on a daily basis.

CONSERVATION EDUCATION CAMPUS

Anticipated start / status Preliminary discussions have taken place
Anticipated finish TBD
Target budget *(2008 $)* $16,700,000

Scope *(based on wording of bond measure)*
Dedicated space for programming in a new Conservation Discovery Zone will provide spaces for classes, camps, exhibits, presentations and hands-on learning for children, families and adults. There will be space for traveling and temporary exhibits. An Insect Zoo and Butterfly Lab will provide hands-on learning. Access to facilitate safe arrival and departure of groups and camp kids, as well as bathrooms, also will be included in the project.

POLAR BEARS

Anticipated start / status TBD
Anticipated finish TBD
Target budget *(2008 $)* $11,600,000

Scope *(based on wording of bond measure)*
The proposed rebuild will offer the polar bears not only more room, but also a safer and more natural habitat to explore through natural substrate, interesting views, scratching logs, and enrichment infrastructure. Adding complexity to the pools, such as islands, could encourage natural behaviors.

The remodel is needed to increase access to natural substrate; renovate and increase the efficiency of the water-filtration system; reduce temperatures; chill the pool water; and increase both land and pool space. Remodeled holding areas will have better lighting and ventilation, allowing better care for the animals. Space requirements, water quality, and housing conditions will meet or exceed the Manitoba Protocols established for zoo polar bears.

HIPPO FILTRATION

Anticipated start / status TBD
Anticipated finish TBD
Target budget *(2008 $)* $9,500,000

Scope *(based on wording of bond measure)*
A modern water filtration system will be installed, and filtered water will be recycled and prepared for other uses on the zoo grounds. Waste materials filtered from the water will be repurposed and used as compost. Passive heating will be added to heat the hippo pools. A new exhibit design will increase natural substrate spaces for hippos as well as adding additional compatible African species.

CONDOR EXHIBIT

Anticipated start / status TBD
Anticipated finish TBD
Target budget *(2008 $)* $3,000,000

Scope *(based on wording of bond measure)*
This project will create a new exhibit with room for the birds to fly.

WATER AND ENERGY SAVING MEASURES

Anticipated start / status Storm Water Master Plan currently underway - March, 2010
Anticipated finish Duration of program for various initiatives
Target budget *(2008 $)* $11,500,000

Scope *(based on wording of bond measure)*
Storm Water & Waste Water: The zoo will undertake a major rebuilding of their water distribution system and installation of central plant piping systems. Leaking pipes will be replaced and drainage systems will be re-plumbed. Onsite wastewater-management and installation of water-storage tanks will allow re-use of water and harvesting of nutrients from wastewater. City requirements for separation of storm water will be met, allowing for the permitting of other zoo projects.

Energy: A combination of solar panels, microturbines and absorption processes will generate energy onsite. A central plant approach will serve building operations. Buildings will be designed to capture solar warmth, natural light and natural ventilation. The goal will be to produce substantial energy onsite.

Bond Measure Project Areas

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item: G-3

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item H

METRO COUNCIL

Work Session Worksheet

Presentation Date: January 5, 2010 Time: _____ Length: _____

Presentation Title:
Oregon Zoo Bond – Veterinary Medical Center and Quarantine Project Update

Service, Office, or Center:
Oregon Zoo Bond Program

Presenters (include phone number/extension and alternative contact information):
Scott Robinson, Deputy Chief Operating Officer, 503 797-1605
Mike Keele, Interim Zoo Director, 503 220-2450
Craig Stroud, Zoo Bond Program Manager, 503 220-2451
Jim Mitchell, Zoo Bond Project Manager, 503 914- 6025

ISSUE & BACKGROUND

The Oregon Zoo's Veterinary Medical Center and Quarantine facilities need replacement due to sub-standard conditions. The Association of Zoos and Aquariums (AZA) noted the conditions and identified the facilities as sub-standard during the last accreditation review. Current clinical spaces are small and cramped, have poor lighting and drainage, and lack controls for minimizing disease transmission. Some surfaces are difficult to sanitize because of degradation and may provide foreign objects subject to ingestion by animals. Moving large animals in and out is difficult. The facilities have been retrofitted several times to accommodate more modern equipment, but have reached a point where more retrofitting is not feasible.

To assess replacing the existing veterinary medical and quarantine facilities, the zoo performed a feasibility assessment. The feasibility assessment team consisted of a zoo construction project manager, veterinary and living collections managers, the zoo facilities manager, and an external consultant team led by Peck, Smiley, Ettlin architects. Other zoo staff supported the assessment, as needed. The work built on the 2007 Oregon Zoo Strategic Plan recommendations made by consultants Schultz & Williams.

The team evaluated the existing zoo veterinary medical program needs and operating requirements, including animal research and quarantine spaces. The zoo deputy director for living collections, facilities manager, and veterinarian travelled to other zoo's that recently completed veterinary medical hospital construction, including zoos in Cincinnati, Detroit, Honolulu, and Milwaukee. Other staff visited the Tacoma and Bronx zoos. The findings from these visits were shared with the project team.

In addition, the team reviewed where to site the new medical center on the zoo campus. Primary locations evaluated included to the west and east of the existing veterinary medical offices at Gate J. The assessment concluded that the best siting location is the west side of

existing medical offices. The east side available footprint was much smaller and would have required a two-story building. In addition, an east side location would have dislocated the zoo Center for Species Survival animal holding buildings.

The Zoo Infrastructure and Animal Welfare bond passed on November 4, 2008. The bond included funding for a new veterinary medical and quarantine facility. The zoo bond materials identified the veterinary medical center target budget as $9.2 million. This figure included project planning and construction costs, but not bond staff or allocated overhead costs.

On April 15, 2009, Metro contracted with Peck, Smiley, Ettlin architects to lead a consultant team to perform design development, create construction bid documents, support the request for bid process, and to assist in construction administration as part of the veterinary medical center and quarantine facility project. The team met regularly to develop the building design and to balance medical program needs with funds available. The team was directed to target LEED Silver as the minimum sustainable building design.

At the conclusion of the design development phase, Metro submitted a Conditional Use Master Plan amendment to the City of Portland for the veterinary medical center and quarantine facility based on the design development documents. On September 18, 2009, the city approved the amendment. There was no outside opposition to the amendment submittal.

The project's contract with the architect consultant team required a direct construction estimate at the end of design development. On July 2, 2009, the consultant's cost estimator provided a direct site and building construction cost of $7.9 million based on the design development documents. Including the project's estimated soft costs and contingency of $2 million, bringing the total project cost estimate to $9.9 million; which is 8 percent greater than the target budget. See exhibit A.

Based on these new estimates, the project team and consultants began value engineering the project toward the target budget. The team was optimistic that options could be identified to reduce project cost to near the target amount, therefore, the team continued refining the project and creating the project's construction documents.

Around this date, the project's geotechnical engineer verified that the proposed site location required site stabilization and structural requirements due to underlying site soil conditions and excavation requirements. The consultant team identified an extensive soil nail retaining wall integrated into the back wall of the veterinary medical center and quarantine building as the best, least risky type of retaining wall for the building site; although it is a relatively expensive type of retaining wall.

The team met regularly to develop and refine the construction documents and to balance medical program needs with funds available. Additional opportunities to reduce project costs were identified and incorporated into project plans.

When the construction documents reached 85 percent completion, the documents were submitted to the City of Portland for permitting. The project's contract with the architect consultant team required another direct construction estimate. On November 10, 2009, the

consultant's cost estimator provided another direct construction cost estimate based on the 85 percent construction documents. Adding the project's estimated soft costs and deducting costs that are outside the Veterinary Medical Center project scope, the revised estimate was $11.9 million. This estimate was $2.7 million, 29 percent, above the project's target budget. See exhibit A.

The significant increases in the estimate were primarily due to site preparation, excavation, shoring, and structural work to construct the retaining wall and building. The site requires excavation and installation of a 20 foot tall retaining wall, as well as significant structural elements to reinforce the retaining wall and anchor the building. In the design, the medical center's back wall was structurally incorporated into the site's retaining wall.

In addition, the building location required relocation of an existing back-up power generator serving the existing veterinary medical center and other parts of the zoo. Site constraints limited placement of the generator and the project team chose to integrate the generator into the east wall of the building to minimize noise and inherent disturbance to quarantined animals. This integration increased the building square footage.

In response to the estimate, the external consultant team stopped all construction document refinement work and focused the consultant team on identifying options to further value engineer the project. The team reviewed the project's design development documents to identify significant value engineering opportunities. Between November 10, 2009, and December 17, 2009, the team identified the following significant cost cutting or value engineering opportunities:

1. Relocate the building approximately 100 feet west. This eliminates any modifications to the existing back-up power generator, as well as reduces the amount of required excavation, site, and structural work. The back wall of the building is now separated from the retaining wall, which dramatically reduces the structural requirements of the building. This also allows for tilt-up concrete wall construction, as opposed to a much more expensive poured-in-place method. See current site plan, exhibit B and prior site plan, exhibit C.
2. Reduce the building square footage from 19,040 to 15,443, representing 3,597 square feet (including elimination of square footage associated with back-up generator). See current floor plan, exhibit D and prior floor plan, exhibit E.
3. Eliminate the rooftop garden and other roof programmatic uses.
4. Review all major systems, including: shoring, structure, casework, floor material, fixtures, and mechanical.
5. Move the rainwater storage tank above ground.
6. Eliminate expensive LEED credits not required to meet LEED silver. The identified credits for removal are expensive with minimal sustainability return.
7. Maintain the current slope of the Gate J access road, resulting in reduced shoring and retaining needs.
8. The consultant obtained a second estimate for mechanical elements directly from a mechanical contractor.

As of December 17, 2009, the external consultant team believes they have identified the majority of available value engineering opportunities and that future efforts will not produce significant project costs savings.

Concurrently, the project manager solicited several Metro/MERC staff with significant construction and project management backgrounds to review the 85 percent construction documents for contingency risks and value engineering ideas. In addition, members of the Oregon Zoo Bond Advisory Committee toured the construction site and brainstormed ideas to value engineer the project, including resiting the building to a different location on the zoo campus.

The project team assessed the viability of relocating the veterinary medical center from Gate J to Gate A, the only other location identified that merited review. Gate A is the first gate from the freeway exit and contains facilities maintenance and horticulture office/shop areas, as well as a small amount of parking, and the zoo's compost bins (ZooDoo) and trash compactor. The complete qualitative and quantitative aspects of relocating the facilities to Gate A are documented in exhibit F and are summarized below:

1. Increases estimated direct soft and construction project costs by $35,000.
2. Introduces significant qualitative risk to the project, including:
    a. Requires a new amendment application to the zoo's Conditional Use Master Plan. This process takes at least five months and the outcome is uncertain. It is possible the City could deny the application and require the veterinary medical center project be incorporated into the forthcoming overall land-use and zoo master planning discussions.
    b. The opportunity cost of using the Gate A location for future use.
    c. Requires relocation of the significant composting (ZooDoo) and recycling activities to other suitable locations on zoo grounds.
3. Requires significant schedule delays. The current construction bid climate is extremely favorable to owners due to limited overall construction activity and intense bidding competition.

Upon reviewing the value engineering opportunities, the zoo's lead veterinarian and other stakeholders believe the identified value engineering options reduce overall project cost but do not reduce the building's functional use.

The value engineering savings have been estimated to reduce the total project costs to $9.6 million, which remains above the target budget of $9.2 million. The $9.6 million amount includes contingency of approximately $860,000, 9 percent, see exhibit B.

The external consultant team believes the favorable bid climate could result in direct construction bids five percent below the estimate, or $9.2 million. The zoo bond team, desiring to be more conservative, believes it prudent to add up to five percent additional contingency to the estimate, or a total project estimated cost of $10.1 million. Until the project's construction is formally bid to general contractors, this range of estimates will exist and reflects different professional opinions and budget risk tolerance for the project.

OPTIONS AVAILABLE

The project team identified two options to move the project forward:

1. The first is to incorporate the value engineered savings into the project construction documents, resubmit for City of Portland land-use and construction permits, and upon permit approval formally bid the project in the competitive construction market. The resulting bids will provide the best estimate of direct construction costs from outside third parties. Prudent construction practices then dictate the team applies reasonable contingency amounts to the bid direct construction amounts based on overall and specific project construction risk.
2. The second option is to stop the project and redirect the project team to restart at design development. This option likely results in significant sunk costs for the initial effort, as well as significant project delays and potential new costs. The option introduces many of the project qualitative risks identified in the resiting analysis, such as:
    a. Significant schedule delay.
    b. A potential negative change to the favorable construction bid climate.
    c. Uncertainty that a new effort will significantly reduce overall costs

IMPLICATIONS AND SUGGESTIONS

The project team recommends the first option of incorporating the value engineering savings into the construction documents and preparing the project for formal bid. Should the project bids result in estimated construction costs that are near the target budget, incorporate reasonable contingency amounts into the budget.

If the total cost, including appropriate contingency, is at or less than $10 million, review the facts with the Oregon Zoo Bond Advisory Committee and present the committee's recommendation to the Deputy Chief Operating Officer for a decision on whether to move forward or stop the project. This option sets the project budget at $10 million. The impact of this increase needs to be spread across the future bond program and underlying project costs. While increasing the target budget for this project is not optimal, the program has a large degree of project scope and cost control for the remaining projects. We believe we can absorb this increase across the program and still satisfy the overall promises made to the public.

Should the decision be to move forward, the estimated future timeline is:

1. Direct the consultant team to incorporate value engineering options (estimated January 6, 2010).
2. Incorporate changes into the construction documents (estimated January 25, 2010).
3. Process a Type II Environmental Review for resiting the veterinary medical center with the city to obtain land-use approval (estimated March 9, 2010).
4. Obtain construction permit approval from city (estimated March 9, 2010).
5. Begin process to solicit Request for Bids for project construction (estimated March 10, 2010).
6. Award construction contract (estimated May 17, 2010).
7. Construction begins (estimated July 15, 2010).

QUESTION(S) PRESENTED FOR CONSIDERATION

Should the Veterinary Medical Center and Quarantine facility project team proceed with Option 1 or Option 2?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION: No
DRAFT IS ATTACHED: Not applicable

EXHIBIT A

OREGON ZOO

VETERINARY MEDICAL CENTER AND QUARANTINE FACILITIES PROJECT

Project Budget Estimates from External Consultants

December 28, 2009

Location	**Orig. Site**	**Orig. Site**	**100' Move West**
Building Square Footage	**18,213 Sq. Ft.**	**19,040 Sq. Ft.**	**15,443 Sq. Ft.**
Estimate Date	**July 2, 2009**	**Nov. 10, 2009**	**Dec. 11, 2009**
Project Soft Costs			
Professional Fees	$ 942,153	$ 942,153	$ 942,153
Site and Building Contingency (Addt'l 5%)	396,473	491,593	385,673
Equipment and Furniture	285,115	285,115	285,115
Permits	160,000	160,000	160,000
Special Inspections	60,000	60,000	60,000
1 Percent for Art	60,000	60,000	60,000
Other Paid Expenses	26,772	26,772	26,772
Subtotal	$ 1,930,513	$ 2,025,633	$ 1,919,713
Site and Building Construction			
Consultant Estimate Site (Approx. 4% Contingency Included)	$ 733,148	$ 2,427,788	$ 1,273,051
Consultant Estimate Building (Approx. 4% Contingency Included)	7,508,246	8,712,375	6,244,103
Project Team Identified Estimate Additions			
Caging			300,000
Plumbing			200,000
HVAC			100,000
Other			218,000
Project Team Identified Costs Deductions for Costs Outside Scope			
Generator to Infrastructure		(996,365)	
Storm Water to Infrastructure	(311,941)	(311,941)	(103,000)
Subtotal	$ 7,929,453	$ 9,831,857	$ 8,232,154
Value Engineering Opportunities			
Tilt up walls			$ (250,000)
Delete Pile Retaining Wall at Road			(243,700)
Above Ground Water Storage Tank			(25,000)
Subtotal	$ -	$ -	$ (518,700)
Total Soft Costs, Site and Building	$ 9,859,966	$ 11,857,490	$ 9,633,167

Note: Figures do no include bond staff or overhead costs.

N:\adm\confidential\Bond Measure\Veterinary Medical Center\VMC Council Worksession 20100105\Vet Med Ctr Budget Estimate Review 20091228.xlsx

Tab: VMC Estimates

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item K-1

BEFORE THE METRO COUNCIL

AMENDING METRO CODE CHAPTER 2.19 TO ESTABLISH THE OREGON ZOO BOND CITIZENS' OVERSIGHT COMMITTEE, AND DECLARING AN EMERGENCY	)))))	ORDINANCE NO. 10-1232 Introduced by Chief Operating Officer Michael J. Jordan, with the concurrence of Council President David Bragdon

WHEREAS, on May 8, 2008, the Metro Council adopted Resolution No. 08-3945, "For the Purpose of Submitting to the Metro Area Voters a General Obligation Bond Indebtedness in the Amount of $125 Million to Fund Oregon Zoo Capital Projects to Protect Animal Health And Safety, Conserve and Recycle Water, and Improve Access to Conservation Education; and Setting Forth the Official Intent of the Metro Council to Reimburse Certain Expenditures Out of the Proceeds of Said Bonds Upon Issuance," approving, certifying and referred by the Metro Council to the Metro Area voters on the November 4, 2008 General Election as Ballot Measure 26-96 ("Oregon Zoo Bond Measure 26-96"); and

WHEREAS, at the General Election held on November 4, 2008, the Metro Area voters approved the Oregon Zoo Bond Measure 26-96; and

WHEREAS, the Oregon Zoo Bond Measure 26-96 called for the creation by the Metro Council of an independent citizen oversight committee to be convened periodically to review progress on the project improvements, monitor spending and consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates; and

WHEREAS, this new oversight committee is to be known as the Oregon Zoo Bond Citizens' Oversight Committee; and

WHEREAS, the efficacy of Oregon Zoo Bond Citizens' Oversight Committee will be greatly enhanced, and with it the level and quality of service it provides to the citizens of the Metro Area, by its immediate creation and appointments thereto so that it can begin its work overseeing the implementation of the Oregon Zoo Bond Measure projects; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Metro Code Chapter 2.19 shall be amended to add the following new Metro Code Section 2.19.240:

"2.19.240 Oregon Zoo Bond Citizens' Oversight Committee

(a) Purpose and Authority. The purpose and authority of the Oregon Zoo Bond Citizens' Oversight Committee is to convene periodically to review progress on the project improvements, monitor spending ("Program Progress"), and consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates. The Committee shall report annually to the Metro Council regarding such Program Progress, which report shall set forth the Committee's recommendations for project modifications, if any. The Committee's Program Progress review and report to the Metro Council:

(1) Shall assess Oregon Zoo's Program Progress in implementing the Oregon Zoo Bond Measure 26-96 project improvements.

(2) Shall report on project spending trends and current cost projections, and review and report upon the annual independent financial audit of spending.

(3) May recommend project modifications intended to account for increases in construction costs in excess of budget estimates, to ensure that the purpose and promise of the Oregon Zoo Bond Measure 26-96 is fully realized.

(b) Membership. The Committee shall be composed of no fewer than 13 and no more than 19 members, to be appointed by the Metro Council President subject to Metro Council confirmation. The Committee's members shall primarily be professionals with experience in construction, sustainability, finance, auditing, public budgeting, banking and general business. The Metro Council President shall designate one (1) member to serve as Chairperson of the Committee. Nine (9) of the initial Committee members shall be appointed to serve a one (1) year term, and may be reappointed for up to serve two (2) additional 2-year terms as provided in Metro Code Section 2.19.030.

(c) Meetings. The Committee shall meet no fewer than two times per year.

(d) The Committee shall be dissolved on July 1, 2025 or upon the issuance of a final report by the Committee after all funds authorized by the Oregon Zoo Bond Measure 26-96 have been spent, whichever is earlier."

Section 2. This Ordinance being necessary to better serve the public and to work more effectively and efficiently with communities of interest of the Metro Area to implement and provide performance oversight of the implementation of the Oregon Zoo Bond Measure 26-96, an emergency is declared to exist, and this Ordinance shall take effect immediately, pursuant to Metro Charter Section 39(1).

ADOPTED by the Metro Council this _____ day of _____ 2010.

_____
David Bragdon, Council President

Attest:

_____
Tony Andersen, Recording Secretary

Approved as to Form:

_____
Daniel B. Cooper, Metro Attorney

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item K-2

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 10-1232, AMENDING METRO CODE CHAPTER 2.19 TO ESTABLISH THE OREGON ZOO BOND CITIZENS' OVERSIGHT COMMITTEE, AND DECLARING AN EMERGENCY

Date: January 13, 2010

Prepared by: Scott Robinson
Ext. 1605

BACKGROUND

On November 4, 2008, Metro area voters passed Ballot Measure 26-96 authorizing Metro to issue up to $125 million of general obligation bonds to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water, and improve access to conservation education.

The bond measure language included a public accountability plan to ensure all projects are properly monitored and reviewed. The plan specifically called for the formation of a citizens' oversight committee to periodically review progress on project improvements, monitor spending, and consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates.

Ordinance No. 10-1232 amends Metro Code Chapter 2.19 to establish the citizens' oversight committee.

ANALYSIS/INFORMATION

1. **Known Opposition:** No opposition known

2. **Legal Antecedents:** Metro area voters approved the Oregon Zoo Bond Measure 26-96 during the general election held on November 4, 2008.

3. **Anticipated Effects:** This ordinance amends Metro Code Chapter 2.19 to establish the Oregon Zoo Bond Citizens' Oversight Committee.

4. **Budget Impacts:** There are no material budget impacts associated with this resolution.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this ordinance.

Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item K-3

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE APPOINTMENT OF MEMBERS TO THE OREGON ZOO BOND CITIZENS' OVERSIGHT COMMITTEE (OZBAC)	))))	RESOLUTION NO. 10-4112 Introduced by Council President Bragdon

WHEREAS, the Metro Council has adopted Ordinance No. 10-1232, "Amending Metro Code Chapter 2.19 to Establish the Oregon Zoo Bond Citizens' Oversight Committee and Declaring an Emergency," creating a new Oregon Zoo Bond Citizen's Oversight Committee, consisting of 13 to 19 members, to be appointed by the Metro Council President subject to confirmation by the Metro Council; and

WHEREAS, the Metro Council President has appointed 19 members and designated a chairperson as set forth in Exhibit "A" attached hereto; and

WHEREAS, the Metro Council desires to confirm the appointments; now, therefore,

BE IT RESOLVED, that the Metro Council confirms the appointments to the Oregon Zoo Bond Citizens' Oversight Committee ("OZBAC") as set forth in Exhibit "A" attached hereto.

ADOPTED by the Metro Council this _____ day of _____ 2010.

_____
David Bragdon, Council President

Approved as to Form:

_____
Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution No. 10-4112

Oregon Zoo Bond Citizens'
Oversight Committee (OZBAC)

Committee Member Appointments

The chairperson of the committee, serving a two-year term, shall be:

Sheryl A. Manning	Professional Board Member

The following persons shall serve two (2) year terms, and shall be eligible thereafter to serve one additional 2-year term:

Marcela Alcantar	President, Alcantar & Associates
Jacqueline Bishop	Attorney, Roberts Kaplan LLP
Steve Bloom	Executive Director, Portland Japanese Garden
David Evans	Vice President, Controller, The ODS Companies
Greg Gahan	NW Construction Management Inc.
Gary Gamer	President, CEO, Oregon Coast Aquarium
Ann Gravatt	Policy Director, Renewable Northwest Project
Jim Irvine	Homebuilder, The Conifer Group Inc.
Ray Phelps	Former Assistant to the Secretary of State

The following persons shall serve one (1) year term, and be eligible thereafter to serve two additional 2-year terms:

Tony Jones	Executive Director, Metropolitan Contractor Improvement Partnership
Deidra Krys-Rusoff	Portfolio Manager, Ferguson Wellman Capital Management Inc.
Carter MacNichol	Principal, Shiels Obletz Johnsen, Inc.
John Mohlis	Commission Secretary, Portland Development Commission
Kelly Peterson	Vice President, Humane Society of the United States
Penny Serrurier	Attorney, Stoel Rives LLP
Michael Sestric	Architect
Bob Tackett	Executive Secretary, Treasurer, NW Oregon Labor Council
Carol Welch	Vice President, Audit, Nike
Benjamin Jackson	REAP Student Representative, Clackamas High School

***See* next pages for Biographies of Oregon Zoo Bond Citizens' Oversight Committee (OZBAC) Members (in alphabetical last name order)**

Biographies of Oregon Zoo Bond Citizens' Oversight Committee (OZBAC) Members

Marcela Alcantar

Alcantar & Associates LLC was created to fulfill a personal and professional mission to provide exceptional engineering support services that result in effective, livable communities that are truly dynamic. They strive to educate and enlighten young students, especially under-represented groups interested in the engineering field, on many of their projects. Alcantar & Associates LLC is certified in Oregon as a WBE/MBE/DBE/ESB (2395) design consulting and surveying support services firm. Its mission is to provide technical excellence in finding efficient and cost-effective solutions to meet our client's needs. The company utilizes the latest equipment and computer software to produce quality construction documents and mapping.

Jacqueline Bishop

Jacqueline Bishop is an associate attorney at Roberts Kaplan, LLP, where she participates in the real estate, business, and sustainability practice groups. Jacqueline is a board member of We Love Clean Rivers, Inc., a representative on the Oregon State Bar's Sustainability Task Force, and a LEED Accredited Professional. Before graduating from Lewis and Clark Law School, Jacqueline worked as a wetlands and fisheries biologist.

Stephen D. Bloom

Executive Director since 2005, Steve Bloom came to the Portland Japanese Garden with a dynamic background in creating new and exciting opportunities for non-profit organizations. Steve was a 2008-09 Council on Foreign Relations International Affairs Fellow in Japan, sponsored by Hitachi, Ltd. and concurrently served as Visiting Scholar at Tokyo University of Agriculture. Most recently he served as President of the Honolulu Symphony (2000-2005) and prior to Honolulu, showed early success at the age of 27 when he served as Executive Director of the Tacoma Symphony (1996-2000).

David Evans

David Evans has been the Controller of The ODS Companies for eight years and was promoted to Vice President in 2009. He brings a broad knowledge of financial planning and budget management to his role. Dedicated and detail-oriented, Dave is responsible for the company's day-to-day accounting and finance activities, including financial reporting, compliance and budgeting. Prior to joining ODS, Dave spent seven years in the audit practice of PricewaterhouseCoopers. While at PricewaterhouseCoopers, Dave worked with clients in several industries, including forest products, retail, real estate and insurance. Dave earned his Bachelor of Science degree from Oregon State University and is an active certified public accountant. In 2005, he participated in the Portland Business Alliance's annual Leadership Portland program and for the past several years has been involved in the Oregon Society of Certified Public Accountants (OSCPA) mentoring program, through which he helps educate accounting students and guide them on a career path. Dave is a member of the Natural Areas Bond Oversight Committee.

Biographies of Oregon Zoo Bond Citizens' Oversight Committee (OZBAC) Members

Greg Gahan

Greg is a near life-long resident of the Portland Metropolitan area with Engineering and Business degrees from Oregon State University and Portland State University respectively. Greg has 25 years of commercial construction management experience in the Metro area.

Gary Gamer

Gary Gamer began work in September 2009 as the President and CEO of the Oregon Coast Aquarium in Newport. He worked 15 years at Holt International Children Services, including serving as President and CEO in Eugene. Prior to this, Gary held executive positions at the Ecumenical Ministries of Oregon (Portland), the U.S. National Council of Churches (New York City and Manila), and as an operations agent for General Steamship Corp in Portland. Gary holds a business degree from the University of Oregon and has a Masters Degree from Columbia University's School of International and Public Affairs.

Anne English Gravatt

Ann English Gravatt is the policy director with the Renewable Northwest Project (RNP), a nonprofit organization promoting renewable energy resources in the Pacific Northwest. Prior to joining RNP in 2002, Ann practiced natural resources and energy law in Portland and Washington, D.C. She holds a J.D. from George Washington University and a B.A. from the University of Richmond. Ann and her husband are the parents of two young children (ages 4 and 1) and are very frequent visitors to the Zoo.

Jim Irvine

Jim Irvine is Chairman & CEO, the Conifer Group, a 65 year old family-owned home building, land development and property management firm. The company is also a licensed Real Estate Brokerage in Oregon and Washington. The company has had a full practice in design development and construction for housing for those with the most severe housing needs to housing for the more affluent. The company has received national recognition for innovation and sustainable design and is a founding member of the US Green Building Council.

Benjamin Jackson

Benjamin Jackson, a freshman at Clackamas High School has been active in the following committees; Student Leader - REAP Inc., Peer Mediator -ROWE Middle School, Student Leader - CAFE (Children & Family Enrichment) Program - Metropolitan Family Services, Club Member - DACC (Diversity at Clackamas Club) - Clackamas High School, Crew Leader - Senator Margaret Carter Annual Block Party, Clackamas Orchestra Solo & Ensemble Festival, Club Leader - Wattles Boys & Girls Club, Club Member - KEY Club, Children's Ed. Instructor - Cathedral of Praise Ministries

Biographies of Oregon Zoo Bond Citizens' Oversight Committee (OZBAC) Members

Tony Jones

Tony Jones is the executive director of MCIP and is responsible for overall operation of the organization. He has 20 years experience in economic development, construction and affordable housing; 8 years experience in affordable housing development working for non profits and the Housing Authority of Vancouver; and 11 years of experience in providing small business development services through his work as the coordinator of the Contractor Support Program through the Housing Development Center. He is a business lender with ShoreBank Enterprise Cascadia. In his roles, Tony has worked with many of the public agencies, non profits and prime contractors in the region and has garnered an excellent reputation by being accountable and providing quality and reliable services.

Deidra Krys-Rusoff

Deidra Krys-Rusoff is a portfolio manager and a member of the fixed income team at Ferguson Wellman Capital Management. Krys-Rusoff is a native of Idaho, and earned her B.A. in zoology from the College of Idaho. She is on the board of directors of the Northwest Taxable Bond Club, past board member of the Junior League of Portland, and serves on several committees at Glencoe Elementary School.

Carter MacNichol

Carter MacNichol is a managing partner for local urban developer Shiels Obletz Johnsen, Inc. and managing member for Sockeye Development LLC. His prior experience includes real estate management and development for Port of Portland, Project Manager for Portland Development Commission, and teaching for the Oregon City School District. Carter is currently active on several boards: The Oregon Zoo Foundation, The Nature Conservancy of Oregon, and Oregon I Have a Dream Foundation. His past board experience includes Portland Children's Museum and Portland Community Land Trust.

Sheryl Manning

Sheryl is a certified public accountant, no longer practicing; formerly at PricewaterhouseCoopers and Arthur Andersen. As a Professional Board Member, she is currently active on both corporate and nonprofit/community boards in leadership roles. Sheryl is former Commissioner, Chair, and Interim General Manager of MERC.

John Mohlis

John Mohlis, first appointed to PDC's Board of Commissioners January 2007, has been reappointed to a consecutive three-year term commencing July 1, 2009. John is the Executive Secretary-Treasurer of the Columbia Pacific Building Trades Council, an umbrella organization for approximately 20,000 union construction workers in NW Oregon and SW Washington. John is also a member of the Portland-Vancouver Regional Economic Development District. Recent board appointments include Labor Representative on the Workforce Investment Board Region 2, and a position on Energy Action Northwest, a business and labor coalition for clean, affordable, reliable energy.

John Mohlis serves as a member of the Portland South Waterfront Apprenticeship Agreement Oversight Committee, and the Airport Futures Public Advisory Group which is responsible for

charting the future of the Portland International Airport. Mr. Mohlis was former Mayor Tom Potter's fifth appointment to the five-member PDC Commission, which is made up of volunteers nominated to serve three-year terms. John's three-year term as a PDC Commissioner will be up in January 2010.

Kelly Peterson

Kelly Peterson is the Vice President of Field Services for The Humane Society of the United States (HSUS), which includes managing their state-based regional system from her home base in Portland. As a native Oregonian, Kelly also handles Oregon state legislation for The HSUS, where she recently collaborated with the Oregon Zoo to successfully advocate for the passage of legislation to ban dangerous exotic animals as household pets.

Ray Phelps

Ray Phelps, serving as the Assistant to the Secretary of State, was responsible for Oregon Elections, Oregon Administrative Rules, Uniform Commercial Code, budgeting for the Secretary of State's office, including presenting the Secretary's budget to Legislative Ways and Means Committee for approval, financial management of the Secretary's office, and personnel. Phelps was also the former Metro CFO and Director of Administration. This position preceded the addition of the procurement office and the independently elected auditor at Metro

Penny Serrurier

Pendleton ("Penny") Serrurier is a member of Stoel Rives LLP, practicing in the areas of tax-exempt organizations, charitable giving, estate planning and administration, business succession planning, and personal tax planning. Penny represents tax-exempt organizations and advises on all aspects of governance, compliance, and tax-related matters. She has served on several local boards and is past chair for The Oregon Zoo Foundation board of trustees.

Michael Sestric

Michael Sestric is a self-employed architect, providing independent space programming, budgeting and project management services for educational, health care and non-profit organizations.

Bob Tackett

Bob Tackett has been in the Labor movement for over 35 years, primarily with the Steelworkers. He was employed at Reynolds Metals Company in Troutdale until the plant closed. Bob worked for the Oregon AFL-CIO as the Labor Liaison until elected as the Executive Secretary Treasurer for the NW Oregon Labor Council, AFL-CIO.

Carol Welch

Carol is currently the Vice President of Corporate Audit for Nike Inc. She joined Nike in June 2000. Prior to Nike, she held a number of Accounting and Auditing positions in the banking and energy industries. She is a Certified Internal Auditor with a Bachelors in Psychology ('84) and a Masters in

Business Administration ('87), both from the University of Utah. She served over 5 years as a private sector member of the Oregon State Audit Advisory Committee.

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Oversight Committee Meeting

Date: Feb 10, 2010

Agenda Item K-4

INDEPENDENT AUDITOR'S REPORT

Metro Council and Metro Auditor
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2009, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated December 7, 2009.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 08-3945 with regard to the Oregon Zoo General Obligation Bonds, Series 2008. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of Metro, and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams, LLP

Eugene, Oregon
December 7, 2009