

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: June 24, 2009

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 09-78
Approve a \$600,000 grant to ROSE Community Development Corporation to construct a community park at Marysville School

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6717

ACTION SUMMARY

This action will authorize the Director to negotiate and execute a grant agreement with ROSE Community Development Corporation (ROSE) and a use agreement with Portland Public Schools (PPS), both substantially in accordance with the Term Sheets attached to the Resolution as Exhibits A and B. The grant agreement will provide \$600,000 to ROSE to facilitate construction of a school/community park at 7733 SE Raymond Street, Marysville Elementary School (K-8) in the Lents Town Center (Lents) Urban Renewal Area (URA). The school site is owned by PPS. When completed, ROSE will donate the improvements to PPS. PPS will be obligated through the use agreement to provide on-going maintenance of the park and to continue its use as a school/community park. Construction is expected to begin in July 2009 and be complete within six (6) months.

PUBLIC BENEFIT

The park to be constructed will serve the students of Marysville School during school days and hours, and will be open and available for citizens and the Lents' community at large during non-school hours.

Marysville School recently transitioned to a K-8 school and has close to 500 students who would be direct beneficiaries of the project. Marysville School's boundaries are Powell Blvd to the North, Woodstock to the South, and 86th to the East. Marysville students also transfer from surrounding school areas, including Lent, Kelly, Earl Boyles, and Alice Ott Schools. The Marysville School area has some of the highest poverty rates in Portland. At Marysville, 80 percent of students qualify for free or reduced lunches and 28 percent of students speak a language other than English as their native language. There are 18 different languages being spoken by children enrolled at Marysville, including Vietnamese, Spanish, Russian, Chinese, Krahn (Liberia) and May May (Somalia).

The First Amendment to the Lents Town Center Urban Renewal Area Final Report and Recommendations identified the Marysville School site as an open space, but found that the facilities were deficient and in need of upgrading. The site was added to the Lents URA in

part for this reason. This project will help cure this deficiency in the neighborhood and will benefit the community as a whole. The unimproved area is approximately three (3) acres and is well-suited for a combination school playground/community park use, similar to other school/community park models that are a partnership of PPS and Portland Parks and Recreation (PP&R), such as Sunnyside, Winterhaven and King School Parks.

The playground/park design will feature ecological, environmental and water quality enhancements, add trees and landscaping, and provide a creative play area for the students at Marysville School and the community at large. Unique features planned include Native American art, climbing rocks, earthen mounds, a nature trail, covered pavilions, new lighting, and vegetative screens. The existing parking lot will be relocated to the east side of the site to improve community access. The perimeter of the site will not be fenced or gated.

The playground and park areas will be open to the general public, except that Marysville School will have priority use of the playground and soccer field during regular school hours and the discretion to limit access to the area during these times.

Portland Development Commission's (PDC's) \$600,000 grant leverages more than \$548,000 of in-kind donations for architectural, design, and engineering services, project management and legal services and cash donations plus \$366,000 in city funds.

This action will support the following PDC goals:

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

PUBLIC PARTICIPATION AND FEEDBACK

This project was initiated in 2007 by the Marysville Advisory Board, a group of higher education, corporate and social service leaders dedicated to locating additional resources to ensure equal educational opportunities at Marysville School. The advisory board approached PPS about the school/community park project and then worked with Impact Northwest (formerly Portland Impact) and community members to secure in-kind donations, grants and private donations to design and construct the community park.

The First Amendment to the Lents Town Center Urban Renewal Plan (2008) added Marysville School to the URA boundaries anticipating a project to improve public spaces at the school. A comprehensive public participation plan was implemented by PDC staff to elicit feedback from community members, stakeholders and the existing Lents Urban Renewal Advisory Committee members, potential expansion areas, and adjacent neighborhoods affected by the proposals. The First Plan Amendment is based in large part on the results of the public participation process, including a survey conducted by PDC staff.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

This project supports the following goals and objectives of the Lents Town Center Urban Renewal Plan (1998):

- Invest in developing parks, open space and other public facilities to promote revitalization of the Area.
 - Develop and/or improve parks and open space facilities to increase neighborhood livability and the vitality of commercial areas.
 - Develop and/or improve high-quality neighborhood parks within walking and biking distance of area neighborhoods. Each park should contain facilities appropriate for that park (e.g. playgrounds, playfields, and picnic tables).

Additionally, the project supports the PDC 2008-2012 Strategic Plan to 'Seek and cultivate new and mutually beneficial partnerships.' The PDC strategy is achieved by using PDC tools to support K-12 stability.

FINANCIAL IMPACT

The PDC Lents URA FY 2008-2009 budget includes \$600,000 for this project—the majority of this amount is currently being carried over to FY 2009-2010.

The PDC funds (\$600K) are approximately 40 percent of total project costs. The City of Portland also provided a grant of \$366,000 and community members secured more than \$548,000 of in-kind and private donations for the project.

The park will be owned by PPS, which has agreed to keep the site as a school/community park in perpetuity and provide on-going maintenance.

RISK ASSESSMENT

PPS desires to maintain the school/community park in perpetuity; however, PPS requires the flexibility to adapt as school needs may change and has asked for an opt-out option to allow for unforeseen future needs of the school district. The opt-out option would allow PPS to change the use of the three acre site to accommodate future school space needs or to otherwise act in the public's interest, as necessary. If PPS exercises the opt-out option PDC's investment and the public benefit would be lost.

This risk is mitigated by the requirement that PPS enter into a Use Agreement with PDC, whereby PPS will be required to repay PDC all or part of the grant amount in the event PPS or its successors convert the park to other non-park uses. PDC is negotiating a grant repayment schedule with PPS in the event the school/community park is no longer available for public use. The repayment obligation will decline the longer the park is maintained and operated as agreed. The repayment obligation will end no sooner than 20 years. The proposed resolution grants the Director discretion and authority to negotiate the final repayment terms of the Use Agreement.

The Use Agreement will also require PPS to allocate adequate maintenance budget to preserve the facilities.

The park improvements are designed to require low maintenance, including low maintenance landscaping. PPS has partnered with PP&R on other school/community parks where the maintenance obligation is split between the school area and the public park area. Though PP&R is not a partner in this project, PPS is aware of parks maintenance requirements.

The PDC grant will be disbursed on an actual cost reimbursement basis. PDC funds will be disbursed pro-rata with other construction funding sources (PDC funds are approximately 58 percent of construction costs). All other project funds have been received. A contractor contingency of almost nine (9) percent is included in the budget to mitigate risk of cost increase. ROSE is an experienced developer and project manager.

WORK LOAD IMPACT

This project will require a PDC Construction Coordinator to be assigned to support the Project Manager to monitor construction progress. Assignment of a Construction Coordinator is being worked out and services may be arranged through an IGA with Housing, handled by a Central Services Construction Coordinator or done via contractor.

ALTERNATIVE ACTIONS

The PDC Board of Commissioners could elect not to authorize the execution of these documents. This would trigger either the cancellation of the project, a reduction in the scope of the project, or additional fundraising by community members and/or City of Portland.

CONCURRENCE

This grant has been reviewed by the PDC Loan Committee and recommended for approval. The Urban Development Department's Neighborhood Division and the Southeast URA Team support this project. Portland City Council showed support for this needed parks project by providing a grant of \$366,000 in January 2009. Community efforts have secured in-kind and cash donations of more than \$548,000 for the project.

BACKGROUND

The Marysville School site was added to the Lents Town Center URA boundary when the URA was amended in June 2008. Improving the open space around the school to add needed park area was anticipated for funding when the boundary expansion was being considered. The creation of a new playground and park will stimulate learning and play experiences for Marysville students and the park will become a focal point for the community.

Marysville School is one of the oldest elementary schools in the PPS District. Many students are the fourth generation in their families to attend Marysville School. The school curriculum points to accomplishments that stand out among Portland neighborhood schools and includes after-school enrichment classes; hands on learning in physics, engineering, architecture, and

design; and Spanish literacy and support for K-3. The school succeeds because of strong partnerships with families, business and community organizations.

PROJECT TEAM

ROSE offered to take responsibility for managing the construction of the park improvements and administer project funds. ROSE has the capacity and experience to successfully complete this project, including compliance with any regulatory documentation that may be required. All project donations and other grant funds have been received. ROSE has 36 loans or grants with PDC for multi-family and single-family housing development. ROSE's total outstanding obligation to PDC is \$3,349,718. All loans are current.

From ROSE's website: "ROSE Community Development combines affordable housing programs with supportive services and economic opportunities to Revitalize Outer South East." Over the years, ROSE has been recognized for developing affordable housing and for contributions to the community and improving neighborhoods.

Construction is expected to be complete in six (6) months and when complete, Rose will donate the park improvements to PPS. PPS will continue to own the site and the new improvements. PPS desires to use the open space as a school/community park in perpetuity, during which time PPS agrees to maintain the facilities. PPS has requested of PDC an opt-out option in the case of unforeseen future needs of PPS that would require the school grounds to be used to accommodate future population growth.

ATTACHMENTS:

- A. URA Financial Summary
- B. Project Summary
- C. Project Designs

URA FINANCIAL SUMMARY

Financial Summary

Fund Summary - Five-Year Budget Projections

	Revised FY 2008-09	Approved FY 2009-10	Forecast FY 2010-11	Forecast FY 2011-12	Forecast FY 2012-13	Forecast FY 2013-14
Lents Town Center URA						
Resources						
Beginning Fund Balance	2,218,657	426,735	565,833	638,627	675,706	640,238
Fees and Charges	0	0	0	0	0	0
Interest on Investments	250,000	24,240	65,219	66,905	66,590	66,692
Loan Collections	16,471	278,100	88,100	94,758	101,534	100,000
Property Income	0	0	2,600,000	0	0	0
Reimbursements	0	0	0	0	0	0
Tax Increment Proceeds	15,518,875	18,824,948	12,953,475	18,215,416	17,386,408	18,203,661
Total Resources	18,004,003	19,554,023	16,272,627	19,015,706	18,230,238	19,010,591
Requirements						
Program Expenditures						
Business & Industry						
Community Economic Development						
72030 Community Economic Development	0	250,000	250,000	400,000	500,000	500,000
General Business Assistance						
79020 Business Finance	500,000	1,100,000	1,100,000	1,300,000	1,400,000	1,500,000
79022 Business Retention	100,000	100,000	100,000	100,000	100,000	100,000
Business & Industry Total	600,000	1,450,000	1,450,000	1,800,000	2,000,000	2,100,000
Housing						
Multi-Family - For Sale						
32110 122nd and Pardee	873,000	0	0	0	0	0
33418 New Homeowner Dev	1,414,651	0	0	600,000	0	1,000,000
33438 ROSE/PCLT Homeownership	0	100,000	0	0	0	0
33441 Dahlia Commons Homeownership	0	675,000	0	0	0	0
33442 Habitat for Humanity #3	0	230,000	0	0	0	0
Multi-Family - Rental Housing						
60010 LTC Foster School Housing Dev	0	0	0	0	0	0
89015 Rental Rehabilitation Projects	0	200,000	0	0	0	0
89030 Affordable Rental Housing	2,400,000	2,300,000	1,900,000	2,200,000	4,000,000	2,000,000
Plans and Strategies - Housing						
37914 Housing Policy/Planning	5,000	0	0	0	0	0
Portland Housing Bureau						
28025 Administration	0	161,596	468,720	549,900	527,400	553,284
Single-Family - Home Repair						
32131 REACH Home Rehabilitation	125,000	125,000	125,000	150,000	150,000	0
89010 Home Repair Projects	250,000	250,000	250,000	300,000	300,000	550,000
Single-Family - Homebuyer Assistance						
37929 Scat Site Homeownership Acq HAP	2,231,527	0	0	0	0	0
37930 Scat Site Home Rehab & Subs HAP	0	1,308,473	0	0	0	0
89020 Home Buyer Assistance	1,400,000	900,000	200,000	700,000	700,000	800,000
Housing Total	8,699,178	6,250,069	2,943,720	4,499,900	5,677,400	4,903,284

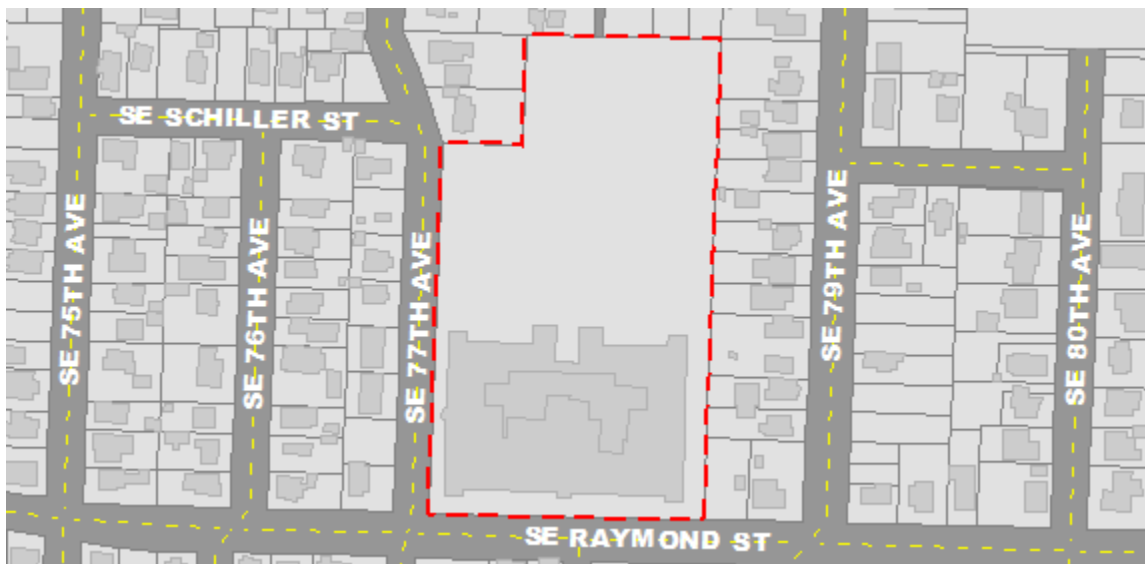
Financial Summary

Fund Summary - Five-Year Budget Projections

	Revised FY 2008-09	Approved FY 2009-10	Forecast FY 2010-11	Forecast FY 2011-12	Forecast FY 2012-13	Forecast FY 2013-14
Infrastructure						
Facilities						
60009 LTC Public Facilities	620,600	20,000	0	0	0	0
Parks						
13125 Parks Public Improvements	1,021,000	135,000	95,000	40,000	100,000	269,000
Transportation						
26714 Streets/Sidewalks LID	20,000	500,000	500,000	0	0	0
26715 Neighborhood Trans Safety Imprvmts	428,000	2,000,000	2,600,000	1,800,000	1,000,000	2,000,000
Infrastructure Total	2,089,600	2,655,000	3,195,000	1,840,000	1,100,000	2,269,000
Revitalization						
Redevelopment						
12209 LTC Town Center Redevelopment	2,325,000	3,037,000	3,075,000	3,585,000	2,200,000	2,100,000
12212 Johson Creek Industrial Area Revitalization	100,000	80,000	100,000	100,000	1,900,000	2,000,000
27001 Storefront Grants	300,000	300,000	300,000	400,000	400,000	400,000
27050 DOS Grants	300,000	100,000	100,000	100,000	100,000	200,000
28030 Redevelopment Loan Projects	0	1,000,000	900,000	300,000	300,000	300,000
60008 SE 92nd Redevelopment	199,729	250,000	500,000	2,900,000	1,200,000	350,000
60050 LTC Foster Rd Redev	0	0	300,000	0	0	0
60051 LTC 122nd Corridor Redevelopment	0	40,000	300,000	0	0	0
60052 LTC Comm Liv Grants	0	200,000	250,000	300,000	300,000	300,000
60053 LTC Station Area Redevelopment	0	75,000	75,000	0	0	1,000,000
Revitalization Total	3,224,729	5,082,000	5,900,000	7,685,000	6,400,000	6,650,000
Administration						
Finance						
98001 Debt Management	10,000	10,000	10,000	10,000	10,000	10,000
Administration Total	10,000	10,000	10,000	10,000	10,000	10,000
Total Program Expenditures	14,623,507	15,447,069	13,498,720	15,834,900	15,187,400	15,932,284
Personal Services	743,511	1,038,090	416,640	488,800	468,800	491,808
Indirect Cost	2,489,865	2,503,031	1,718,640	2,016,300	1,933,800	2,028,708
Total Fund Expenditures	17,856,883	18,988,190	15,634,000	18,340,000	17,590,000	18,452,800
Contingency	147,120	565,833	638,627	675,706	640,238	557,791
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	18,004,003	19,554,023	16,272,627	19,015,706	18,230,238	19,010,591

PROJECT SUMMARY

- Project Name:** Marysville Park
- Description:** Develop a playground/park on three acre site owned by Portland Public Schools. Project features include ecological, environmental and water quality enhancements, add trees and landscaping, and provide a creative play area, including art, climbing rocks, earthen mounds, a nature trail, covered pavilions, new lighting, and vegetative screens.
- Location:** 7733 SE Raymond Street
- URA:** Lents Town Center URA
- Current Phase:** Design complete
- Next Milestone:** Start construction
- Completion Target:** December 2009
- Outcome:** New school/community park
- Site/Project Map:**

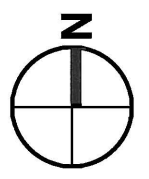
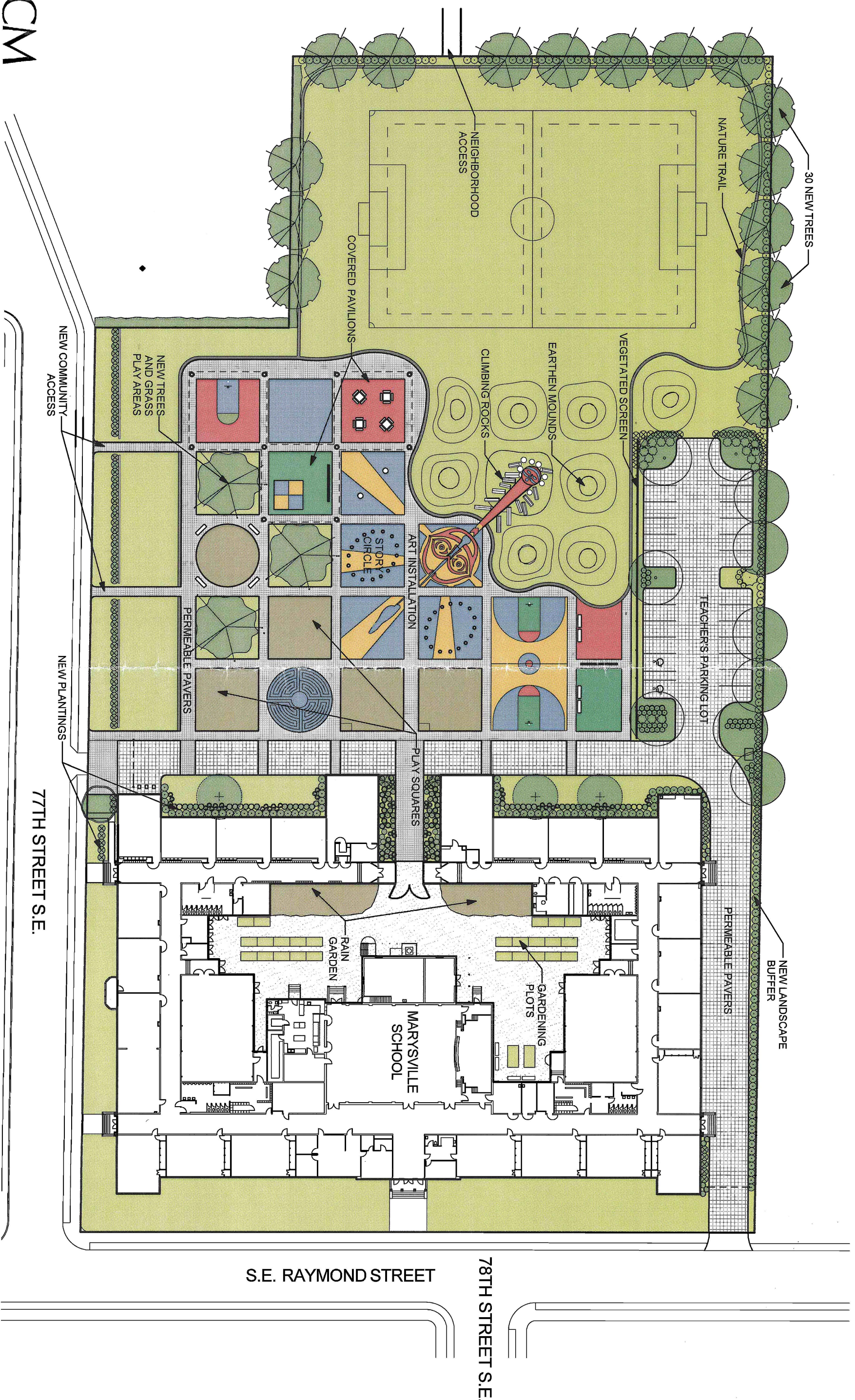


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OVERALL SITE PLAN

SCALE: 1" = 50'



S.E. RAYMOND STREET

78TH STREET S.E.

77TH STREET S.E.

