

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** August 26, 2009

**TO:** Board of Commissioners

**FROM:** Bruce A. Warner, Executive Director

**SUBJECT:** Report Number 09-99  
Waterfront Park, Ankeny Plaza, and Street Improvements Project IGA  
Amendment

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6730

#### ACTION SUMMARY

This action will increase the funding for the Intergovernmental Agreement (IGA) between Portland Development Commission (PDC) and Portland Parks and Recreation (PPR) by \$159,410 to cover additional design costs and PPR staff time resulting from numerous unforeseen site conditions. This will increase the total IGA amount from \$1,989,300 to \$2,148,710. These funds are already considered in the overall Ankeny / Burnside Public Realm Improvements Budget and do not reduce funding for other priorities in the Downtown Waterfront Urban Renewal Area (DTWF URA). PPR has shared the increase in design costs by contributing an additional \$250,000 towards the architecture and engineering (A/E) contract.

#### PUBLIC BENEFIT

The implementation of this project created a new home for the Portland Saturday Market and retained the market in the Ankeny / Burnside area of Old Town, a key recommendation of the neighborhood and adjacent stakeholders. The market is experiencing increased patronage as a result of this move, resulting in greater earning potential for the 250+ micro-businesses that the market represents. This move also facilitated the Mercy Corps World Headquarters project to move ahead on Block 10, resulting in over 180 quality jobs moving to Old Town, with the potential to increase to 200 jobs in the coming years. The overall catalytic effect for Old Town is seen even as these projects are being completed, with several new businesses moving into the area to serve the growing population of students and professionals in Ankeny / Burnside. Approving this action will assure that the A/E team and PPR are fully compensated for actual work completed on the project, and will thereby satisfy PDC's obligations under the current contract, as well as further stimulate the local economy by expenditure of these funds to the prime A/E consultant and its sub-consultants.

#### **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 action was last discussed with the Old Town Chinatown Neighborhood Association on July 7, 2009.

## **COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

The project is consistent with the following plans and policies:

- Downtown Waterfront Urban Renewal Plan.
- The Central City Plan (1988) guides planning in Portland's downtown and close-in neighborhoods, including the area around Ankeny Plaza.
- The Old Town/Chinatown Visions Plan (1997) – and – Development Plan (1999) and the Visions/Development Plan Update are the neighborhood stakeholders' vision of development desired in the district.
- The Downtown Waterfront Development Opportunities Study, adopted by the PDC Board of Commissioners (Board) in November 2003, highlights the development potential for Portland's downtown waterfront blocks.
- The Waterfront Park Master Plan (2003), developed by PPR, provides direction for the park's renovation, and addresses related land use and environmental issues.
- The Ankeny/Burnside Development Framework adopted by the PDC Board in December 2006 (Resolution 6420), was a joint PDC and Bureau of Planning project to create an urban design framework and development strategy for the Skidmore / Old Town Historic District.
- PDC's Construction Wage Policy.
- PDC's Business and Workforce Equity Policy.

## **FINANCIAL IMPACT**

The Ankeny / Burnside Public Improvements budget for FY 2007-08 and FY 2009-10 currently includes these cost increases, with no funds to come from other priority projects in the district. The total increase in funding to the IGA is \$159,410, as outlined in Attachment B.

## **RISK ASSESSMENT**

Not taking this action could possibly have a detrimental effect on inter-bureau relations with PPR. PDC is not legally obligated to compensate PPR for these increased costs, but this resolution was negotiated in good faith to complete the project as designed.

## **WORK LOAD IMPACT**

This action is consistent with existing project work plans for PPR and PDC project staff.

## **ALTERNATIVE ACTIONS**

The Board could elect not to fund these increased costs. That would result in a budget shortfall for PPR to close the contract with the A/E firm Walker Macy.

## **CONCURRENCE**

PDC staff has worked with PPR to negotiate a cost sharing agreement whereby PPR will pay \$250,000 of the design costs and PDC will cover \$159,410. This agreement is outlined in Attachment B.

## **BACKGROUND**

The improvements covered in this IGA are directly supportive of the revitalization of Ankeny / Burnside as recommended by the Ankeny / Burnside Development Framework. The relocation of Portland Saturday Market became a vital component of the revitalization of Ankeny / Burnside due to significant development pressure for parking lots that they utilize for their market operations.

Portland Saturday Market successfully made the transition into Waterfront Park on the weekend commencing March 1, 2009. This represented the completion of Phase A of the Waterfront Park project, which allowed the market beneficial occupancy of the space during the period that Phase B was being completed. The Bill Naito Legacy Fountain is the core component of Phase B, and substantial completion of this element was completed on July 15, with full completion on August 15. The grand opening ceremony was held on August 20.

This project presented many challenges and unexpected cost increases during construction, but the resultant built product has received positive feedback by the market vendors as well as the public. Due to the highly complex nature of the project and the unforeseen site conditions that the project team encountered, the design consultant team spent an inordinate amount of time on Construction Administration, which significantly increased design costs beyond the initial estimate. These costs were incurred during construction in order to maintain the aggressive schedule to move Portland Saturday Market. Only design costs that were necessary to keep the project moving were approved by the project team. This action represents the final cost increase for these improvements and will allow PDC to close out all active contracts upon completion of construction and punch list items. Significant negotiations have occurred to reduce these design fees, thereby requiring this final action to close out the design contract.

The retention of Portland Saturday Market in the district, University of Oregon's new campus in the White Stag Building, RV Kuhns' new headquarters on Naito Parkway, and the Mercy Corps World Headquarters are all representative of the success of the Ankeny / Burnside Development Framework planning effort in revitalizing the district.

**ATTACHMENTS:**

- A. DTWF URA Financial Summary
- B. A/E Cost Increase Spreadsheet
- C. Project Summary and Map

**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
<b><u>Downtown Waterfront URA</u></b>						
<b>Resources</b>						
Beginning Fund Balance	29,599,939	11,299,685	5,531,963	1,952,443	175,643	135,643
Cash Transfers In	1,643,986	0	0	0	0	0
Fees and Charges	0	0	0	0	0	0
Interest on Investments	479,607	380,000	260,000	10,000	0	0
Loan Collections	1,450,000	700,000	500,000	500,000	500,000	1,000,000
Miscellaneous	0	0	0	0	0	0
Property Income	425,000	2,350,000	0	0	0	0
Reimbursements	0	0	0	0	0	0
Tax Increment Proceeds	785,880	300,000	450,000	450,000	450,000	450,000
<b>Total Resources</b>	<b>34,384,412</b>	<b>15,029,685</b>	<b>6,741,963</b>	<b>2,912,443</b>	<b>1,125,643</b>	<b>1,585,643</b>
<b>Requirements</b>						
<b>Program Expenditures</b>						
<b>Business &amp; Industry</b>						
<b>General Business Assistance</b>						
79020 Business Finance	1,000,000	500,000	500,000	0	0	0
<b>Business &amp; Industry Total</b>	<b>1,000,000</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing</b>						
<b>Multi-Family - Rental Housing</b>						
34504 Rich/Estate DTWF	357,407	0	0	0	0	0
80032 Musolf Manor DTWF	400,000	0	0	0	0	0
80033 Westshore DTWF	112,207	0	0	0	0	0
80037 Grove Apartments	546,015	0	0	0	0	0
80038 Resource Access Center	183,000	0	0	0	0	0
80039 333 Oak	2,100,000	0	0	0	0	0
<b>Plans and Strategies - Housing</b>						
37914 Housing Policy/Planning	5,000	0	0	0	0	0
<b>Portland Housing Bureau</b>						
28025 Administration	0	79,911	131,190	52,248	18,900	25,200
<b>Single-Family - Homebuyer Assistance</b>						
89020 Home Buyer Assistance	200,000	300,000	0	0	0	0
<b>Housing Total</b>	<b>3,903,629</b>	<b>379,911</b>	<b>131,190</b>	<b>52,248</b>	<b>18,900</b>	<b>25,200</b>
<b>Infrastructure</b>						
<b>Parks</b>						
10215 Ankeny/Burnside Public Improvements	9,640,000	2,000,000	0	0	0	0
<b>Transportation</b>						
10216 Multnomah County - Morrison Bridgehead	0	0	0	0	0	0
10221 Transit Mall Revitalization	100,000	0	0	0	0	0
11234 Westside Burnside - Couch Couplet	163,303	0	0	0	0	0
<b>Infrastructure Total</b>	<b>9,903,303</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
<b>Revitalization</b>						
<b>Plans and Strategies - Revitalization</b>						
92110 Westside/Central City Study	75,000	48,000	0	0	0	0
<b>Redevelopment</b>						
10214 Block 8 Redevelopment	200,000	3,350,000	0	0	0	0
10220 A/B Historic Preservation	40,000	0	0	0	0	0
12101 Downtown Retail Strategy	39,205	0	0	0	0	0
16306 South OT/CT Redevelopment	466,340	1,000,000	2,000,000	2,400,000	900,000	1,200,000
16309 RiverPlace Environmental	0	0	1,400,000	0	0	0
27001 Storefront Grants	278,169	200,000	200,000	88,000	0	0
28030 Redevelopment Loan Projects	1,873,371	0	0	0	0	0
80041 3rd & Oak Parking Obligation	61,840	63,040	64,800	0	0	0
<b>Revitalization Total</b>	<b>3,033,925</b>	<b>4,661,040</b>	<b>3,664,800</b>	<b>2,488,000</b>	<b>900,000</b>	<b>1,200,000</b>
<b>Administration</b>						
<b>Finance</b>						
98001 Debt Management	50,000	0	0	0	0	0
<b>Administration Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Program Expenditures</b>	<b>17,890,857</b>	<b>7,540,951</b>	<b>4,295,990</b>	<b>2,540,248</b>	<b>918,900</b>	<b>1,225,200</b>
Personal Services	505,246	556,798	93,708	37,320	13,500	18,000
Indirect Cost	2,968,138	1,399,973	399,821	159,232	57,600	76,800
<b>Total Fund Expenditures</b>	<b>21,364,241</b>	<b>9,497,722</b>	<b>4,789,519</b>	<b>2,736,800</b>	<b>990,000</b>	<b>1,320,000</b>
Cash Transfers Out	80,000	0	0	0	0	0
Contingency	12,940,171	5,531,963	1,952,444	175,643	135,643	265,643
Ending Fund Balance	0	0	0	0	0	0
<b>Total Requirements</b>	<b>34,384,412</b>	<b>15,029,685</b>	<b>6,741,963</b>	<b>2,912,443</b>	<b>1,125,643</b>	<b>1,585,643</b>

**Cost Increase Spreadsheet**

Updated 5/28/09		Add'l Needed for
Plan		08-09 IGA Amend
Work Item	Description	5/28/09 Update
<b>A</b>	<b>Administrative</b>	<b>\$ (51,401)</b>
A.1	PPR Project Management & Staff Hours	\$ (51,401)
A.2	PPR Reimbursable Expenses	\$ -
A.3	Post-Occupancy Problem Solving	\$ -
A.4	Park Dedication	\$ -
<b>B</b>	<b>Reviews, Permitting, City Requirements</b>	<b>\$ 53,305</b>
B.1	Permitting Expenses	\$ 43,677
B.2	Water Bureau Plan Review for Water Feature	\$ -
B.3	SDC Fees	\$ 9,628
B.4	Urban Forestry - Consult, monitor, and inspect during constr., prune oaks	\$ -
B.5	Stormwater Mitigation (off-site)	\$ -
<b>C</b>	<b>Consultants</b>	<b>\$ (432,109)</b>
C.1	Topo Survey/As-Builts Add Services	\$ -
C.2	Topo Survey/As-Builts Add Services	\$ -
C.3	Design & Engineering Services (Approved Contract & CA #1-9) + Request	\$ (432,124)
C.4	Design & Engineering Reimbursables (Approved Contract & CA #1-9)	\$ 79
C.5	Design and Engineering CSO Vault Lid	\$ (64)
<b>D</b>	<b>Utility Constr &amp; Meter</b>	<b>\$ (29,424)</b>
D.1	Water Main Relocation plan review, inspect & connect	\$ (29,424)
<b>SUBTOTAL</b>		<b>\$ (459,629)</b>
Other	Contingency (5% for 07-08 & 08-09)	\$ 50,219
<b>TOTAL</b>	<b>Authorized Budget Cost Not To Exceed</b>	<b>\$ (409,410)</b>
	PPR Agreement to help PDC cover from SDC	\$ 250,000
	<b>TOTAL ADDITIONAL NEEDED FROM PDC</b>	<b>\$ (159,410)</b>

## PROJECT SUMMARY

**Project Name:** Ankeny / Burnside Public Realm Improvements

**Description:** Construction of Waterfront Park for Portland Saturday Market's new home.

**Location:** Ankeny / Burnside

**URA:** Downtown Waterfront

**Current Phase:** Construction

**Next Milestone:** Substantial Completion

**Completion Target:** Final construction stage late July 2009

**Outcome:** Revitalization of the Ankeny / Burnside area pursuant to recommendations proposed through the Ankeny / Burnside Development Framework planning process.

**Site/Project Map:**

