



**DATE:** March 12, 2012  
**TO:** Board of Commissioners  
**FROM:** Patrick Quinton, Executive Director  
**SUBJECT:** Report Number 11-91

Authorize \$100,000 Increase for the King Gateway Heritage Markers Project

**BOARD ACTION REQUESTED**

Adopt Resolution No. 6932

**ACTION DESCRIPTION**

Authorize a \$100,000 increase in the expenditure authority of the Executive Director under the Public Improvement Contracts for the MLK King Gateway Heritage Markers Project in the Oregon Convention Center Urban Renewal Area in order to complete the project.

**BACKGROUND AND CONTEXT**

The Board authorized the Executive Director on June 8, 2011, via Resolution No. 6885 to execute one or more contracts for a total amount not to exceed \$550,000 for the King Gateway and Heritage Markers project. A project illustration is included as Attachment A.

A public improvement contract was executed and in fall 2011, work started to complete the new plaza, heritage markers, lighting and landscaping. During the course of work, contract matters, several unforeseen site conditions (unsuitable subsurface soils, unforeseen utilities, issues with storm drain connection), and changed permit requirements resulted in project costs beyond the established budget.

In January 2012 due to contract matters, the Portland Development Commission (PDC) terminated for convenience the public improvement contract effective February 7, 2012. The Executive Director on February 7, 2012, approved an Emergency Exemption to enable a new contractor to be selected and complete the work. Staff is in the final steps of selecting the replacement contractor upon final approval by the Executive Director and restarting work this week.

The original Board expenditure authorization is not sufficient to address the additional costs described above to complete the partially underway project in a timely manner this spring. Staff has carefully reviewed the project budget and determined that an additional \$100,000 is necessary to finish the project. Upon approval by the Board, the revised not to exceed total project budget will be \$650,000.

Staff intends to get the project back on track and completed by early summer to best meet the community expectations and to minimize any further impacts to adjacent business and traffic around the project.

### **COMMUNITY AND PUBLIC BENEFIT**

This action will benefit the public by supporting the following Strategic Plan goals for Sustainability and Healthy Neighborhoods. The construction project will continue to be managed internally by PDC's Construction and Environmental Services department. A key project goal is to have construction work, materials and supplies furnished from local firms with a strong emphasis on attaining the highest level of MW/ESB participation possible. The direct economic impact to the community is the equivalent of 5FTE construction jobs for the duration of the project (using ECONorthwest study multipliers).

### **PUBLIC PARTICIPATION AND FEEDBACK**

Staff continues to update the North Northeast neighborhood associations and adjacent business of our progress on the project as it moves towards completion. The adjacent business owners have been very pleased with the coordination of traffic control which is geared to reduce and minimize any impacts.

### **BUDGET AND FINANCIAL INFORMATION**

There are sufficient authorized resources available and budgeted to cover the additional \$100,000 cost increase in the Oregon Convention Center URA FY 2011-12 Revised Budget under contingency and budget code P37050318. See Attachment B.

### **RISK ASSESSMENT**

The project construction is underway with the site at rough grade with subsurface utilities installed and erosion control in-place. All possible options to reduce scope and cost have been fully implemented.

Of most significant importance if the project is not completed, is the risk to the north/northeast community after four years of stakeholder involvement and priority nature of the work that celebrates the multicultural diversity of the neighborhoods. This is a key 'gateway' entry point to the community that is high profile and very visible.

### **ALTERNATIVE ACTIONS**

If the Board does not authorize the \$100,000 increase in the budget necessary to complete the project, alternative actions include:

- a. The Board could elect not to complete the entire project and, in order to meet basic permit requirements (to close the project down), a considerable effort to fill in the site, establish vegetative cover, and reestablish traffic control will be required. A serious impact to community relations would likely result.
- b. The Board could elect not to authorize the additional funds which would result in a significant change to the design that would likely trigger additional Design Review, revised building permits with negative impacts to soft costs, schedule and community relations.

### **ATTACHMENTS:**

- A. Project Illustration
- B. URA Financial Summary

**MLK Gateway and Heritage Markers  
Project Illustration**



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## URA Financial Summary

### Five-Year Forecast Project Requirements Detail

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
<b>Interstate Corridor URA</b>						
<b>Resources</b>						
Beginning Fund Balance	16,905	0	10,038	100,469	34,413	65,382
Interest on Investments	20,000	20,000	20,000	20,000	20,000	20,000
Loan Collections	3,549,287	450,000	500,000	500,000	500,000	500,000
Long Term Debt	20,903,517	8,630,000	5,200,000	42,690	2,100,000	2,770,838
Property Income	550,000	0	0	0	0	0
Short Term Debt	7,984,008	7,992,000	7,992,000	7,992,000	7,992,000	8,936,149
<b>Total Fund Resources</b>	<b>33,023,717</b>	<b>17,092,000</b>	<b>13,722,038</b>	<b>8,655,159</b>	<b>10,646,413</b>	<b>12,292,369</b>
<b>Requirements</b>						
<b>Program Expenditures</b>						
<b>Administration</b>						
<b>Urban Renewal Plan Area Develo</b>						
A35442370 N/NE Economic Dev Init-ISC	68,440	0	0	0	0	0
P37091015 Public Outreach-ISC-Adm	0	10,000	10,000	10,000	10,000	10,000
<b>Financial Administration</b>						
A45101370 Debt Management-ISC	21,459	22,532	22,532	22,532	22,532	22,532
<b>Administration Total</b>	<b>89,899</b>	<b>32,532</b>	<b>32,532</b>	<b>32,532</b>	<b>32,532</b>	<b>32,532</b>
<b>Business Dev</b>						
<b>Cluster Industry Development</b>						
B15100370 Cluster Development-ISC	100,000	100,000	100,000	100,000	100,000	100,000
B15102370 Site Recruitment-ISC	42,750	100,000	100,000	100,000	100,000	100,000
B15202370 Green Innovation Park-ISC	300,000	0	0	0	0	0
T01069370 Lean Manufacturing-ISC	70,000	70,000	70,000	70,000	70,000	70,000
<b>Business Lending</b>						
L02100370 BIF-General-ISC	2,332,656	1,430,000	1,130,000	930,000	2,030,000	2,730,000
<b>Small Business &amp; Entrepreneurs</b>						
B55800370 Business Development-ISC	75,000	75,000	75,000	75,000	75,000	75,000
B55900370 Community Development-ISC	0	200,000	200,000	200,000	200,000	200,000
<b>Business Dev Total</b>	<b>2,920,406</b>	<b>1,975,000</b>	<b>1,675,000</b>	<b>1,475,000</b>	<b>2,575,000</b>	<b>3,275,000</b>
<b>Infrastructure</b>						
<b>Parks</b>						
N37017315 Bridgeton-ISC-Adm	1,000,000	700,000	0	0	0	0
N37017415 Dawson Park-ISC-Adm	500,000	500,000	500,000	0	0	0
N37017515 Small Scale Improv-ISC-Adm	100,000	0	0	0	0	0
<b>Transportation</b>						
N37032115 Interstate Trans-ISC-Adm	200,000	200,000	200,000	200,000	200,000	200,000
N37037615 Denver Streetscape-ISC-Adm	15,000	15,000	0	0	15,000	0
N37037715 Killingsworth Stscape-ISC-Adm	1,000,000	1,000,000	1,000,000	0	0	0
N37037815 Lombard Investment-ISC-Adm	200,000	600,000	1,000,000	2,000,000	0	0
<b>Infrastructure Total</b>	<b>3,015,000</b>	<b>3,015,000</b>	<b>2,700,000</b>	<b>2,200,000</b>	<b>215,000</b>	<b>200,000</b>
<b>Portland Hsg Bureau</b>						
<b>PHB Housing</b>						
H15047370 Bridge Meadows-ISC	103,509	0	0	0	0	0
H15410370 Home Repair Projects-ISC	676,731	500,000	500,000	500,000	500,000	500,000
H15420370 Home Buyer Assistance-ISC	850,853	500,000	500,000	500,000	500,000	500,000
H15430370 Affordable Rental Hsg-ISC	584,835	3,932,773	3,354,562	601,607	564,533	1,575,123
H15712370 Habitat for Humanity HO-ISC	19,250	0	0	0	0	0
H15900370 PHB Staff & Admin-ISC	784,758	0	0	0	0	0
H15901370 King-Parks-ISC	2,385,966	0	0	0	0	0
H15902370 Grant Warehouse-ISC	811,222	0	0	0	0	0
H15906370 Killingsworth Station-ISC	850,000	0	0	0	0	0
H15907370 Miracles Club-ISC	191,476	0	0	0	0	0
H15908370 McCoy Apts-ISC	679,368	0	0	0	0	0

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## Five-Year Forecast Project Requirements Detail

		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
H15928370	PCRI Seat Sites 2 (NOFA)-ISC	257,115	0	0	0	0	0
H15929370	HAP Afford Ownrshp/Rehab-ISC	646,991	0	0	0	0	0
	<b>Portland Hsg Bureau Total</b>	<b>8,842,074</b>	<b>4,932,773</b>	<b>4,354,562</b>	<b>1,601,607</b>	<b>1,564,533</b>	<b>2,575,123</b>
<b>Property Redev</b>							
<b>Commercial Property Redevelopm</b>							
A35401370	Central City 2035-ISC	0	132,661	0	0	0	0
P37050318	MLK Gateway Improve-ISC-Impl	500,000	0	0	0	0	0
P37051015	Jefferson Plaza-ISC-Adm	100,000	0	0	0	0	0
P37051018	Jefferson Plaza-ISC-Impl	0	500,000	0	0	0	0
P37051815	Interstate Redev-ISC-Adm	2,410,923	600,000	600,000	100,000	1,250,000	1,250,000
P37052015	Neighborhood Cleanup-ISC-Adm	50,000	0	0	0	0	0
P37054815	Kenton Redev Dtwm-ISC-Adm	4,300,000	250,000	0	0	500,000	0
P37091015	Public Outreach-ISC-Adm	10,000	0	0	0	0	0
<b>Commercial Real Estate Lending</b>							
R01100370	CPRL-General-ISC	2,530,071	1,200,000	700,000	500,000	1,300,000	1,300,000
<b>Community Redevelopment Grants</b>							
G01100370	CLG-General-ISC	494,217	300,000	300,000	300,000	400,000	400,000
G02100370	DOS-General-ISC	355,903	150,000	150,000	150,000	150,000	150,000
G03100370	SIP-General-ISC	1,067,658	600,000	600,000	600,000	600,000	700,000
G04100370	GFGP-General-ISC	596,189	200,000	200,000	200,000	200,000	200,000
G05100370	CEWP-General-ISC	1,500,000	0	0	0	0	0
	<b>Property Redev Total</b>	<b>13,914,961</b>	<b>3,932,661</b>	<b>2,550,000</b>	<b>1,850,000</b>	<b>4,400,000</b>	<b>4,000,000</b>
<b>Total Program Expenditures</b>		<b>28,782,340</b>	<b>13,887,966</b>	<b>11,312,094</b>	<b>7,159,139</b>	<b>8,787,065</b>	<b>10,082,655</b>
Personal Services		957,247	960,123	678,724	429,546	527,223	604,959
Transfers - Indirect		2,011,381	2,233,873	1,630,751	1,032,061	1,266,743	1,453,515
PHB Staff/Admin		0	0	0	0	0	0
<b>Total Fund Expenditures</b>		<b>31,750,968</b>	<b>17,081,962</b>	<b>13,621,569</b>	<b>8,620,746</b>	<b>10,581,031</b>	<b>12,141,129</b>
<b>Contingency</b>		<b>1,272,749</b>	10,038	100,469	34,413	65,382	151,240
Ending Fund Balance		0	0	0	0	0	0
<b>Total Requirements</b>		<b>33,023,717</b>	<b>17,092,000</b>	<b>13,722,038</b>	<b>8,655,159</b>	<b>10,646,413</b>	<b>12,292,369</b>