

DATE: January 9, 2014
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 14-01
Authorizing the Executive Director to Execute Professional Services Contracts for Implementation of Union Station Phase III Preliminary Engineering/Design and Environmental Review Project

BOARD ACTION REQUESTED

Adopt Resolution No. 7035

ACTION DESCRIPTION

This action will authorize the Portland Development Commission (PDC) Executive Director to execute three professional services technical and engineering contracts exceeding \$500,000 in value for preliminary building, track, and environmental scopes of work necessary for implementation of Union Station Phase III preliminary engineering/design (PE) and environmental review (NEPA) project. It will also authorize the Executive Director to enter into other agreements necessary to implement the PE/NEPA project including but not limited to: entry agreements with Portland Terminal Railroad (PTRR) and Amtrak to access operating areas of the train station.

Union Station Phase III will allow for the completion of PE and NEPA and improvements listed in Attachment A. These improvements include seismic/structural upgrades, Americans with Disabilities Act (ADA) improvements, new mechanical systems, electrical service, fire detection and protection systems, and track and platform upgrades. The results of this work will be 30 percent preliminary design, estimate of future final design and construction costs as well as the preferred phasing of subsequent improvements. This is a high priority project and continues work implemented at Union Station in two prior phases.

On March 13, 2013, the PDC Board of Commissioners (Board) executed Resolution no. 6991, which authorized the Executive Director to enter into an Intergovernmental Agreement (IGA) with the Oregon Department of Transportation (ODOT) to receive funding for the project. Staff subsequently submitted the required detailed work plan to ODOT and the Federal Railroad Administration (FRA) for approval and is preparing solicitations for the necessary professional technical engineering services.

The total project cost is estimated at \$4,959,051. Funding will be provided as follows:

- 80 percent – FRA, through the IGA with ODOT, up to a maximum of \$3,967,243.
- 20 percent – PDC River District Urban Renewal Area (URA), estimated at \$991,808 for the total project cost.

BACKGROUND AND CONTEXT

Union Station, located at 800 NW 6th Avenue in the River District URA, opened for service in 1896. PDC acquired the facility in a state of neglect in 1987 from PTRR as part of a larger 31-acre development opportunity site.

The Union Station Facility Assessment and Seismic Work Plan (Facility Assessment) was prepared by Degenkolb Engineers in 2001 and identified a range of necessary improvements. In 2007, updated cost estimates, excluding track and platform repairs, totaled \$38,408,895. Recently completed, phases II and II B addressed the highest priority improvements. In 2013 a detailed work plan for the Phase III PE/NEPA project outlined work activities for three consulting firms to complete preliminary design to address the remaining priority needs for building, track, and NEPA work.

The following table summarizes significant work to-date since 2007:

Phase	Funding by Source	Amount	Timing	Status & Scope
I	Total	\$1,374,309	Fiscal Year (FY) 2007-08	COMPLETED: Replacement of portions of the roof and limited exterior and interior repairs
	<i>ODOT Transportation Enhancement (TE) Grant</i>	\$1,036,427		
	<i>PDC/ Union Station Operating Reserves</i>	\$337,882		
II & II B	Total	\$10,870,565	FY 2009-10 to FY 2012-13	CLOSING-OUT: Design and construction of remaining roof repairs (all sections more than 30 years old), seismic anchors, window repairs, etc.
	<i>ODOT TE Grant</i>	\$2,636,000		
	<i>FRA High Speed Rail Grant</i>	\$7,240,583		
	<i>PDC</i>	\$993,982		
III	Total	\$4,959,051	FY 2012-13 to FY 2015-16	IN PROCESS: Detailed work plan pending final FRA approval. Professional services procurement pending
	<i>FRA High Speed Rail Grant</i>	\$3,967,243		
	<i>PDC Match</i>	\$991,808		

COMMUNITY AND PUBLIC BENEFIT

In order to continue and expand the station’s important role in providing convenient transportation alternatives and employment opportunities, the historic Union Station facility requires significant upgrades to maintain safety and operability. Phase III will allow for the completion of preliminary design work, NEPA documentation, and a financing and phasing plan for future implementation of the necessary improvements to the building and track.

The project is complementary to improvement plans and federal funding requests by the Washington Department of Transportation, ODOT, and Amtrak to make incremental upgrades to passenger rail in the corridor between Eugene, Oregon and Vancouver, British Columbia. Locally, the project is anticipated to create approximately 54 temporary design, engineering, and environmental jobs (as estimated by the Council of Economic Advisers multiplier of one job per \$92,000 expended).

In addition, PDC has established a plan for incorporating best practices in encouraging the use of small and disadvantaged businesses (DBEs), including establishing contract goals. The following DBE utilization goals have been established per major category of work:

- Building – 16 percent of contract value;
- Tracks – 10 percent of contract value; and
- Environmental – 12 percent of contract value.

All Requests for Proposals will include submittal requirements and evaluation criteria pertaining to Diversity in Contracting. The FRA and ODOT have approved this plan.

PUBLIC PARTICIPATION AND FEEDBACK

Public participation and feedback has been limited due to the nature of the project. The project has been included in the River District URA budget reviewed by the River District Urban Renewal Advisory Committee. Amtrak submitted a letter in support of the project, and it was included in the grant application. In addition, ODOT, Amtrak, the City of Portland (City) Office of Management and Finance, and PTRR provided input to staff and the consultant team during the development of the detailed work plan for the project.

BUDGET AND FINANCIAL INFORMATION

The total project cost is estimated at \$4,959,051. The FRA, through ODOT, will provide 80 percent of project funds on a reimbursement basis, up to a maximum of \$3,967,243. PDC will be responsible for the 20 percent local match, estimated at \$991,808.

The Adopted Fiscal Year (FY) 2013-14 River District URA Financial Summary (see Attachment B) includes the gross costs incurred by PDC as well as anticipated revenue received from grant reimbursements.

The Adopted FY 2013-14 River District URA Budget also includes \$3,500,500 in FY 2016-17, which may be used as a potential future match for funding the construction of the improvements to be designed in this current phase.

RISK ASSESSMENT

The PDC Board should consider the following risks:

Budget: There is a risk the costs of the PE/NEPA work could escalate beyond current estimates; staff has mitigated this risk by including a \$454,679 contingency in the budget.

Legal: PDC has entered into a grant agreement with ODOT and pursuant to its terms has an obligation to undertake the necessary work to complete the PE/NEPA work. As the direct sub-recipient of the grant from the FRA, PDC will be responsible for complying with and fulfilling the terms and conditions of the grant.

Financial: PDC has agreed under the IGA with ODOT to provide the required local match for the FRA grant. Failure to maintain this commitment may jeopardize the ability to pursue other future grant opportunities for this or other ODOT-sponsored and FRA-funded projects.

Public Trust: Union Station is listed on the National Historic Register; PDC's failure to preserve the significant historic asset could jeopardize PDC's reputation for fulfilling its mission as the City's economic development and redevelopment agency.

ALTERNATIVE ACTIONS

The PDC Board may elect not to authorize the Executive Director to enter into professional services contracts. The Phase III PE/NEPA work would not proceed and the grant monies would go unused.

ATTACHMENTS

- A. Scope of Work: Included Improvements
- B. River District URA Financial Summary: FY 2013-14

Scope of Work – Included Improvements

BUILDING IMPROVEMENTS

A2 - Other Exterior Elements

Repair stormwater drainage (allowance)
Demo and re-build west wood canopy addition
Demo and re-build metal Butler Building
Exterior floodlights

A3 - Interior Areas & Finishes

Renovate employee locker & restroom areas
Maintenance, preservation, restoration at tenant spaces

A4 - Vertical Transportation

Add new 3-story elevator in tower - Main Bldg
Add new 2-story elevator at north end - Main Bldg
Re-build stair at tower - Main Bldg

A5 - Other Interior Elements

New concourse furnishings (seating & displays) - Main Bldg

A7 - ADA Code Upgrades

Remove and replace door handle lever sets - Main Bldg
HC accessible single occupancy RR (2ea) - Main Bldg

S2 - Lateral Systems

Shotcrete at exterior walls - Main Bldg
Shotcrete at exterior walls - Annex Bldg
Shotcrete, anchors, framing at tower - Main Bldg

S4 - Nonstructural Components

Fill/stabilize chimneys (2ea) - Main Bldg
Fill/stabilize chimney - Annex Bldg

E1 - Electrical Power Distribution

New service (switchgear and incoming feeder)
New distribution panels, transformer, feeder - Main Bldg
New distribution panels, transformer, feeder - Annex Bldg
Underground main service (allowance)
Conceal surface mounted electrical (allowance)
New branch circuits - Main Bldg
New branch circuits - Annex Bldg

E2 - Lighting

Lighting - Main Bldg
Lighting - Annex Bldg
Lighting - Train Platforms
Lighting at clock faces, flag pole and building façade

E3 - Telecom

Telephone/data - Main Bldg
Telephone/data - Annex Bldg

E6 - Emergency Power

Emergency generator

E7 - Egress Lighting

Egress lighting - Main Bldg
Egress lighting - Annex Bldg

FP1 - Fire Protection

Wet and dry fire protection systems - Main Bldg
Wet fire protection systems - Annex Bldg
Remove standpipes/cabinets - Main Bldg
Remove standpipes/cabinets - Annex Bldg

FP2 - Fire Alarm

Fire alarm system - Main Bldg
Fire alarm system - Annex Bldg

M1 - HVAC Systems

Central ventilation system - Main Bldg
Toilet exhaust - Main Bldg
Heat pumps at tenant space (w/ cooler) - Main Bldg
Heat pumps for elec/data/telecom rooms - Main Bldg
New grease duct system at restaurant kitchen - Main Bldg
Insulate existing steam & condensate piping - Main Bldg
Heat pumps at tenant space (w/o cooler) - Annex Bldg

M2 - Plumbing

Replace galvanized domestic piping - Main Bldg
Replace galvanized domestic piping - Annex Bldg

TRACK & PLATFORM IMPROVEMENTS

Repair stormwater drainage
Replace remaining jointed rail with continuous welded rail
Fix ground power/main electrical
Fix potable water system
Raise platforms 8' above top of rail
Power-operate all switches in station complex
Alternative fueling options due to reinstatement of Track 6
Reinstate Track 6

FY 2013-14 River District URA Financial Summary

Five-Year Forecast Program Requirements Detail

	Revised-1 FY 2012-13	Revised FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
River District URA						
Resources						
Beginning Fund Balance	22,424,911	38,290,152	3,440,302	814,405	1,405,754	568,635
Interest on Investments	0	400,000	0	0	0	0
Intergovernmental Revenues	440,805	1,800,000	2,100,000	0	0	0
Loan Collections	241,920	2,899,564	1,913,258	2,733,943	658,725	1,310,253
Long Term Debt	0	0	7,000,000	27,538,676	26,000,000	14,000,000
Property Income	698,128	3,225,147	813,864	813,864	813,864	813,864
Reimbursements	556,250	400,000	0	0	0	0
Short Term Debt	23,834,068	20,003,036	22,684,282	24,460,851	20,571,004	20,878,356
Total Resources	48,196,082	67,017,899	37,951,706	56,361,739	49,449,347	37,571,108
Requirements						
Program Expenditures						
Administration						
Financial Administration						
A45101330 Debt Management-RVD	50,000	50,000	50,000	50,000	50,000	50,000
General Administration						
A65467330 URA Administration-RVD	50,000	0	0	0	0	0
Total Administration	100,000	50,000	50,000	50,000	50,000	50,000
Business Dev						
Business Lending						
L02100330 BIF-General-RVD	200,000	301,000	200,000	200,000	200,000	200,000
L02110330 BIF-Cluster Group-Budget-RVD	0	500,000	500,000	500,000	500,000	500,000
Traded Sector Business Dev						
B15102330 Site Recruitment-RVD	82,500	0	0	0	0	0
T01069330 Lean Manufacturing-RVD	0	12,500	0	0	0	0
B15401330 Design Forum/PDX-RVD	5,000	0	0	0	0	0
B15100330 Cluster Development-RVD	100,000	37,500	50,000	50,000	50,000	50,000
B55005330 OT/CT Entrepreneurial-RVD	0	110,000	5,000	5,000	0	0
Total Business Dev	387,500	961,000	755,000	755,000	750,000	750,000
Infrastructure						
Parks						
N33011915 Nbrhd Prk(The Fields)-RVD-Adm	4,205,000	0	0	0	0	0
Public Facilities						
N33022015 Union Station Grant-RVD-Adm	551,006	2,226,500	2,546,500	3,506,500	6,500	6,500
Transportation						
N33030015 Dtwm Retail Infra-RVD-Adm	244,702	0	0	0	0	0
N33033415 Pearl District Cir-RVD-Adm	0	2,325,389	0	0	0	0
N33033417 Pearl District Cir-R	465,535	0	0	0	0	0
N33033715 Streetcar Loop Project-RVD	500,000	0	0	0	0	0
Total Infrastructure	5,966,243	4,551,889	2,546,500	3,506,500	6,500	6,500
Portland Hsg Bureau						
PHB Housing						
H15930330 Fairfield Apartments-RVD	65,000	50,000	50,000	50,000	50,000	0
H15951330 Yards at Union Station-RVD	1,212,806	220,000	0	0	0	0
H15135330 The Medford-RVD	0	1,476,000	0	0	0	0
H15430330 Affordable Rental Hsg-RVD	1,025,000	5,725,000	7,325,000	11,025,000	7,425,000	2,725,000
H15900330 PHB Staff & Admin-RVD	521,210	789,077	430,271	516,490	544,756	528,533
Total Portland Hsg Bureau	2,824,016	8,260,077	7,805,271	11,591,490	8,019,756	3,253,533