

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: January 29, 2009

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 09-13
Amendment to Intergovernmental Agreement with Portland Parks & Recreation for Design and Construction of South Park Block 5 (SW Yamhill Street and SW Park Avenue) and Associated Streetscapes

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6668

ACTION SUMMARY

This action will authorize the Executive Director to amend an Intergovernmental Agreement (IGA) between the Portland Development Commission (PDC) and Portland Parks & Recreation (PP&R) for the design and construction of Director Park, formerly known as South Park Block 5 (SPB5), and associated enhanced streetscapes. The IGA amendment will provide an additional \$1.5 million to PP&R to construct enhanced streetscapes within the rights-of-way of the streets immediately adjacent to Director Park (SW Park and SW 9th Avenues between SW Taylor and SW Yamhill Streets).

The PDC Board of Commissioners (Board) approved the IGA on October 10, 2007 (Resolution No. 6514) for PDC to provide \$2,670,000 in funding for the planning and design of the park and the planning of the associated Park Avenue Vision streetscapes. The IGA amendment will increase PDC funding for the project by \$1.5 million to \$4,170,000. The Board approved the Park Avenue Urban Design Vision (PAV) on December 4, 2004 (Resolution No. 6203). This action implements the recommendations of that plan.

This IGA, as amended, will cover the following planning and construction elements for fiscal years (FY) 2007-08 and 2008-09:

	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Total</u>
Director Park	\$1,150,636	\$1,219,364	\$2,370,000
Director Park Streetscapes	\$89,750	\$1,710,250	\$1,800,000
Total	\$1,240,386	\$2,929,614	\$4,170,000

Construction of the park and streetscapes is anticipated to be completed by July 2009.

PUBLIC BENEFIT

The public benefit of this IGA amendment is the construction of enhanced streetscape elements within the rights-of-way of SW Park and SW 9th Avenues between SW Taylor and Yamhill Streets. These improvements will enhance the design of Director Park, essentially extending the design of the park across the rights-of-way, creating a plaza from building-face-to-building-face between SW Park and SW 9th Avenues and resulting in a doubling of the perceived size of the park (Attachment B). The two streets adjacent to the park will continue to be open to vehicular traffic, but can be closed intermittently to vehicular traffic during certain festival events, resulting in an actual doubling of the size of the park on those occasions.

The streetscapes will be designed to include the same pavement materials as the park itself, seamlessly integrating the park and streets, creating a curbless granite plaza from the face of the Fox Tower to the face of the buildings across SW 9th Avenue, including the new park. The streetscapes will include one lane of vehicular circulation as before, with on-street parking and loading available on the “outboard” side of both SW Park and SW 9th Avenues (the block faces adjacent to the businesses). Wide sidewalks adjacent to all block faces will prioritize pedestrian circulation, and “green street” stormwater facilities will be prominently located on the northeast portion of the SW Park and SW 9th Avenue street segments to collect and filter rainwater. These will link to future stormwater facilities throughout the remainder of the Park Avenue District.

Together, the park and streetscapes will result in an innovative, world-class public park in downtown Portland. This will contribute to the revitalization of and private investment in the retail west end by providing a high quality open space for residents, employees, and retail customers.

There continues to be interest in implementing the enhanced streetscapes throughout the Park Avenue District on SW Park and SW 9th Avenues between SW Salmon and West Burnside Streets. Constructing the enhanced streetscapes at Director Park will demonstrate the City’s commitment to the PAV and generate increased interest in property owner interest in financing of the enhanced streetscapes throughout the remainder of the district.

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

Planning for the design and construction of Director Park has involved a Citizen Steering Committee and numerous public involvement opportunities, including presentations, open houses, workshops, questionnaires, and a website. PP&R staff and the design team have also made presentations to the Design Commission. The feedback received has helped direct the design of a world-class addition to downtown Portland open space, to carefully

consider the size and design of the café building, and to integrate the design of the SW Park Avenue and SW 9th Avenue streetscapes as part of the park.

Specific to the streetscapes, which are the subject of this IGA amendment, PDC and PP&R conducted a two-day workshop on July 10-11, 2007 to integrate the design of the streetscapes with the park. More than 30 people, including property and business owners, retailers, and members of the Design Commission and Citizen Steering Committee for Director Park participated. The workshop was led by consultants Greg Baldwin from ZGF Partnership, Laurie Olin from Olin Partnership, and Carol Mayer-Reed from Mayer/Reed. The workshop was closely coordinated with the Portland Office of Transportation (PDOT) and Portland Bureau of Planning (BOP).

The results of the design workshop were subsequently incorporated into the design team's submissions to the Design Commission. The Design Commission subsequently endorsed the design and strongly encouraged PDC, PP&R, and PDOT to implement the streetscape component concurrent with the park construction. PDC, PP&R, and PDOT subsequently conducted discussions with property owners in the Park Avenue District to investigate forming a local improvement district (LID) to design and construct the enhanced streetscapes from SW Salmon to West Burnside Streets. The property owners eventually concluded they did not want to participate in a LID at this time.

This IGA amendment implements the result of the public design workshop, the recommendation of the Design Commission and Citizen Steering Committee, and results of coordination between the City bureaus.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

Providing funding for the design and construction of the Director Park streetscapes is consistent with the following plans and policies:

- South Park Blocks Urban Renewal Plan (1985), as amended: to provide improvements to promote downtown as the economic and cultural center of the metropolitan area and to support efforts which enhance residential development and employment opportunities downtown. Urban parks are considered essential to make downtown Portland an attractive place for people to live, work, and shop.
- Resolutions and ordinances adopted by the Portland City Council to facilitate the implementation of a public park at SPB5 and streetscapes improvements in the Park Avenue District.
- The Park Avenue Urban Design Vision (2004) adopted by resolution by the Portland City Council and adopted by the PDC Board on December 4, 2004 (Resolution 6203), which calls for the development of a public part at SPB5 and streetscape enhancements along SW Park and SW 9th Avenues to link the South and North Park Blocks.

FINANCIAL IMPACT

The adopted FY 2008-09 South Park Blocks Urban Renewal Area (URA) budget includes \$4.17 million specifically for the design and construction of Director Park and associated Park Avenue Vision streetscapes (346-10-12210) (Attachment A) for the combined FYs 2007-08 and 2008-09.

The total cost of the park and enhanced streetscapes is \$9.45 million. PDC's \$4.5 million total contribution (\$0.36 million in FY 2006-07 and \$4.17 in FYs 2007-09) towards the park and enhanced streetscapes will leverage the donation of the park surface, \$3.0 million in private donations and contributions, and an additional \$1.9 million in City and in lieu funding sources.

The \$1.5 million in funds that is proposed to be allocated to construct the PAV streetscapes adjacent to Director Park had previously been identified to be a City match to a LID or other funding mechanism to assist with the design and construction of the Park Avenue Vision streetscapes from SW Salmon Street to West Burnside Street. Allocating these funds to construct the streetscapes at Director Park will mean that PDC will have no additional funds within the South Park Blocks URA available to assist with design and construction of the streetscapes on the remainder of the blocks.

RISK ASSESSMENT

This action will provide an additional \$1.5 million towards the total park and streetscape costs currently estimated at \$9.45 million. With the addition of these funds, PP&R has identified \$9.34 million in funding sources, which is \$0.11 million less than estimated costs. There is a risk PP&R may not have adequate funds to complete the project. To address this risk, PP&R has made a commitment to close this funding gap through project management and identifying additional PP&R funds.

This action will increase the duration of construction activity at the site by six weeks. It will also increase the intensity of construction activity at Director Park since both the cartways and sidewalks will need to be replaced. Construction activity at and adjacent to the park site has been continuous since June 2006 when construction of the TMT Development underground parking structure began. There is a risk this prolonged and intensified construction activity will negatively impact retailers and other businesses. Retailers have already been negatively affected by the economic recession and weather conditions during the recent 2008 holiday season. To address this risk, PP&R anticipates initiating an outreach effort in early 2009 with affected businesses to develop a construction strategy intended to minimize impacts.

WORK LOAD IMPACT

Authorization to amend the IGA will result in increased workload for PDC staff. However, this has already been taken into account in establishing staff work plan, and will not require additional staff.

ALTERNATIVE ACTIONS

The Board could elect to not authorize the IGA amendment. This would result in a shortfall for PP&R of approximately \$1.5 million to construct the streetscape enhancements at Director Park and the exclusion of this element from the scope of the project. Consequently, PP&R would be required to either seek alternative funding sources or construct Director Park with adjacent standard concrete sidewalks and asphalt cartways on SW Park and 9th Avenues. If other alternative funding sources are not available, this would represent a lost opportunity to construct the enhanced streetscapes and demonstrate the City's commitment to the Park Avenue Vision.

CONCURRENCE

PP&R, PDOT, BOP, the Portland Design Commission, and the Director Park Citizen Steering Committee are in favor of approving the IGA amendment.

BACKGROUND

The PDC Board received a briefing on the park and streetscapes on October 10, 2007, and authorized the Executive Director to enter into an IGA with PP&R (Resolution 6514). The IGA, which provided \$2,670,000 towards the design and construction of Director Park and design of the enhanced streetscapes, was subsequently executed in November 2007 (IGA 507005).

TMT Development completed construction of the underground parking garage at SPB5 in January 2008.

PP&R commenced construction of Director Park in January 2008. The design for the park includes a 1,067 square foot (SF) café building in the upper southwest corner, a canopy to provide shade and shelter, and a fountain in the northeast corner all to be underlain by pale, honey-colored granite pavers laid in a herringbone pattern.

The Portland City Council approved the name Simon and Helen Director Park (Director Park) on June 25, 2008. Jordan Schnitzer, a major funding partner of the park, proposed the name in honor of his maternal grandparents.

In FYs 2007-08 and 2008-09, PDC budgeted \$1.5 million for the purpose of constructing enhanced streetscapes in the Park Avenue District. These funds were not included in the original IGA 507005 since a specific construction strategy for the enhanced streetscapes had not yet been identified. The \$1.5 million in funds budgeted by PDC for constructing the enhanced PAV streetscapes were envisioned as a PDC contribution towards a local improvement district (LID) or other similar funding mechanism to implement the enhanced streetscapes throughout the Park Avenue District. Although the IGA did not include funds for constructing the enhanced streetscapes, the IGA included funds to investigate design and funding options for the enhanced streetscapes.

Between 2007 and 2009, PP&R, PDC, and PDOT investigated design and funding options for the enhanced streetscapes in the Park Avenue District. This included making presentations to the Design Commission and the Director Park Citizen Steering Committee, and meetings with property owners. These investigations into design and funding solutions determined that there was strong support for the enhanced streetscapes, especially for constructing the enhanced streetscapes at Director Park, but that a LID to construct the enhanced streetscapes throughout the district lacked property owner support at this time.

The Bureau Directors and staff from PDC, PP&R, PDOT, and Bureau of Environmental Services (BES) convened to discuss the opportunity and potential to construct the enhanced streetscapes at Director Park. The Bureau Directors directed PP&R to prepare 60 percent construction documents and associated cost estimate to more accurately identify costs and funding options. PP&R completed that work in mid 2008. The Bureau Directors and staff reconvened to review the construction documents and cost estimate and determined that it was appropriate to allocate the \$1.5 million in PDC's budgeted funds towards the construction of the enhanced streetscapes at Director Park.

The enhanced streetscapes will be curbless, will feature the same granite pavers as the park, and will include "green street" stormwater facilities that will collect and filter rainwater and will be prominently located on the northeast portion of SW Park and SW 9th Avenues. These are planned to connect to similar stormwater facilities on the remainder of the blocks in the Park Avenue District.

PP&R is continuing to be the lead City agency on the planning and design of Director Park and enhanced streetscapes. The current cost estimate for the design and construction of Director Park and associated streetscapes is \$9.45 million. Funding for the project comes from a \$1.0 million donation from the Marilyn Moyer Family Trust, a \$1.97 million donation from Jordan Schnitzer/Portland Parks Foundation, \$1.73 million in other City funding, \$0.14 million from TMT Development as an in lieu payment for street improvements, and \$4.5 million from PDC.

Construction of the park and enhanced streetscapes is anticipated to be completed in July 2009.

ATTACHMENTS:

- A. South Park Blocks URA Financial Summary
- B. Project Summary

URA FINANCIAL SUMMARY

Financial Summary

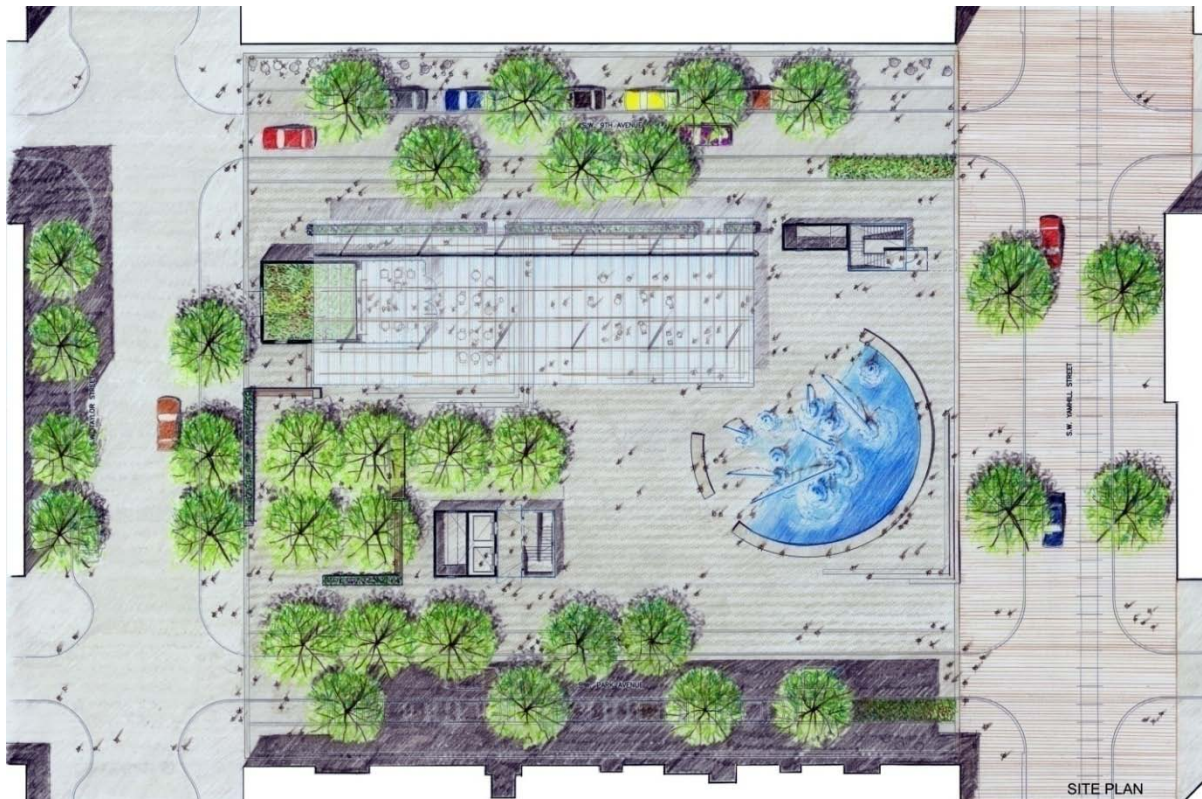
Fund Summary - Five-Year Budget Projections

	<i>Revised FY 2007-08</i>	<i>Adopted FY 2008-09</i>	<i>FY 2009-10 Forecast</i>	<i>FY 2010-11 Forecast</i>	<i>FY 2011-12 Forecast</i>	<i>FY 2012-13 Forecast</i>
South Park Blocks URA						
Resources						
Beginning Fund Balance	13,467,948	0	15,477,218	10,453,652	7,177,973	3,901,940
Interest - City Invest Pool	775,000	500,000	0	0	0	0
Loans - Interest Eamed	350,000	350,000	0	0	0	0
Loans - Principal Collection	1,050,000	350,000	0	0	0	0
Real Property Sales	0	2,000,000	1,800,000	0	0	0
Tax Increment - L-T Debt	35,295,000	34,320,000	258,634	342,321	341,967	342,328
Tax Increment - S-T Debt	1,197,701	0	0	0	0	0
Total Fund Resources	52,135,649	37,520,000	17,535,852	10,795,973	7,519,940	4,244,268
Requirements						
Project Expenditures (does not include Personal Services or Indirect Cost)						
Development						
11912 - SPB Park Ave Redev	5,799,543	1,500,000	0	0	0	0
11913 - SPB 10th & Yamhill	500,000	0	0	0	0	0
12101 - SPB Retail Loan Program	691,000	500,000	0	0	0	0
12206 - SPB Pre Development	20,670	0	0	0	0	0
12210 - SPB Park Block 5	1,367,000	2,800,000	0	0	0	0
12217 - SPB Univ District	461,696	0	2,150,000	0	0	0
12219 - SPB Seismic Loans	1,000,000	0	0	0	0	0
60003 - SPB Transit Mall Redev Loan Pr	500,000	460,000	0	0	0	0
60004 - SPB PSU/CAT Redev	0	2,000,000	0	0	0	0
60013 - SPB Signage & Lighting	100,000	0	0	0	0	0
Development Total	10,439,909	7,260,000	2,150,000	0	0	0
Economic Development						
10239 - SPB Business Retention	100,000	0	0	0	0	0
12222 - SPB Storefront Grants	304,437	215,000	0	0	0	0
70015 - SPB Business Finance	2,400,000	925,000	0	0	0	0
Economic Development Total	2,804,437	1,140,000	0	0	0	0
Housing						
12026 - MFH - Fountain Place Prsv	361,533	0	0	0	0	0
12027 - SPB Jeffrey/Jeff West	5,626,000	840,000	0	0	0	0
12030 - SPB Fairfield Preservation	6,000	0	0	0	0	0
12035 - Martha Washington	3,870,000	2,370,000	430,000	0	0	0
32128 - SPB Rental/Preservation	200,000	0	3,700,000	0	0	0
32701 - SPB Community Facility	200,000	0	0	0	0	0
34510 - SPB Section 8 Preservation	0	7,000,000	0	3,000,000	3,000,000	2,000,000
60007 - SPB Clay Towers	500,000	0	0	0	0	0
Housing Total	10,763,533	10,210,000	4,130,000	3,000,000	3,000,000	2,000,000
Central Services						
59158 - SPB Debt Management	50,000	100,000	0	0	0	0
Central Services Total	50,000	100,000	0	0	0	0
Executive						
60001 - SPB Westside/Central City	202,209	70,000	40,000	0	0	0
Executive Total	202,209	70,000	40,000	0	0	0
Total Project Expenditures	24,260,088	18,780,000	6,320,000	3,000,000	3,000,000	2,000,000
Personal Services	31,791	0	0	0	0	0
Indirect Cost	4,148,739	3,262,782	762,200	618,000	618,000	412,000
Total Fund Expenditures	28,440,618	22,042,782	7,082,200	3,618,000	3,618,000	2,412,000
Contingency	3,000,000	15,477,218	10,453,652	7,177,973	3,901,940	1,832,268
Ending Fund Balance	20,695,031	0	0	0	0	0
Total Requirements	52,135,649	37,520,000	17,535,852	10,795,973	7,519,940	4,244,268

PROJECT SUMMARY

- Project Name:** Director Park and Enhanced Streetscapes
- Description:** Public park and associated streetscape improvements to SW Park and SW 9th Avenues
- Location:** Between SW Yamhill and SW Taylor Streets, and between SW Park and SW 9th Avenues
- URA:** South Park Blocks
- Current Phase:** Director Park: Phase 2 construction underway and to be completed in July 2009.
Enhanced Streetscapes: 100 percent engineering plans completed in December 2008 and submitted for permitting
- Next Milestone:** Completion of Construction and Grand Opening Ceremony
- Completion Target:** July 2009
- Outcome:** Completion of Director Park and streetscapes, resulting in an important and unique public park supporting the cultural district and increased residential development and retail activity in the Park Avenue District.

Site/Project Map:



Director Park Site Plan



Director Park and Enhanced Streetscapes, View of SW 9th Avenue enhanced streetscapes looking south



Director Park and Enhanced Streetscapes, View of SW Park Avenue enhanced streetscapes looking south