

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: February 11, 2009
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 09-22
BES Odor Control Facility IGA Amendment

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6677

ACTION SUMMARY

This action will amend the Bureau of Environmental Services (BES) Odor Control Intergovernmental Agreement (the IGA) with the Portland Development Commission (PDC) from \$1,793,575 to \$1,966,079. BES will compensate PDC for an additional \$9,066 in soft costs associated with project administration tasks and PDC will increase the contract with Brown Contracting by \$163,438, resulting in a total increase of \$172,504 to the IGA. This amount will be fully funded by BES.

This action will also authorize the Executive Director to increase the expenditure authority on the Brown Contracting contract (Contract No. 307009) for the Waterfront Park Improvements Project from \$10,261,236 to \$10,424,674.

On December 1, 2008, the PDC Board of Commissioners (the Board) adopted Resolution No. 6651, which approved an IGA between PDC and BES to allow PDC to construct the civil work for the Ankeny Pump Station Odor Control Facility (the Facility). The PDC Board, on that same day, acting as the Local Contract Review Board, approved an exemption from standard public contracting procedures and adopted Resolution No. 6652, which approved the inclusion of the Facility into Contract No. 307009 with Brown Contracting in order to expedite completion of the Facility, and to keep the overall project on schedule.

In mid-December 2008, Brown Contracting encountered unforeseen contaminated soils, subsequently implementing environmental remediation measures that were not anticipated as part of the previously approved project budget. As part of the December 1 Board action, it was understood that BES would be purchasing the pipe that would serve this facility. Subsequent decisions on behalf of BES have resulted in the contractor assuming responsibility for purchase of the pipe rather than BES. The above mentioned items are the basis for the increase in cost associated with the IGA, and these costs will be borne entirely by BES.

PUBLIC BENEFIT

Integration of this Facility into the work already being completed in Waterfront Park will allow for all in-ground elements to be completed on the project at once, eliminating the need for BES to go back at a later date and tear up recently constructed improvements and paving to incorporate this Facility. Utilizing the existing contractor, which is already on site and mobilized, will conserve the public's financial resources due to the cost savings involved in using an existing contractor rather than going through a new procurement process.

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

There was no formal public participation completed for this Facility. Extensive public participation was integrated into every step of the design and planning of the Waterfront Park improvements. Completion of this Facility will increase the quality of public space and amenity for the end users.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

Completion of the Odor Control Facility 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/China Town 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 Board in November 2003, highlights the development potential for Portland's downtown waterfront blocks
- The Waterfront Park Master Plan (2003), developed by Portland Parks & Recreation, 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 No. 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

- PDC Cost Recovery Policy

FINANCIAL IMPACT

This action will increase the total project budget from \$1,793,575 to \$1,966,079. This is comprised of \$163,438 in additional hard construction funds related to contaminated soil, weather delays, and other unforeseen civil work, and \$9,066 for additional soft costs primarily related to additional staff time to complete the project. The total increase for these two items is \$172,504. As previously stated, these costs will be borne by BES, and there will be no financial impact to PDC for this IGA Amendment.

RISK ASSESSMENT

Failure to approve this IGA Amendment will delay the completion of this Facility, and subsequently delay the completion of the Waterfront Park and MAX Retail Improvements project. These two elements are linked due to their proximity, and the fact that the Facility sits in the secondary esplanade path which is a key component to the success of the Waterfront Park site working for the range of end users.

The risk of additional funding requests for this project is low because the remediation costs are now known.

WORK LOAD IMPACT

PDC has retained a consultant to assist with construction project management and these funds are incorporated into the project budget for the Facility. Workload for PDC procurement and project manager are within existing resources.

ALTERNATIVE ACTIONS

The Board could elect to not authorize the IGA Amendment with BES, which would result in the inability of PDC to continue the construction of the Facility. This lapse in time would have a negative effect on the entire Waterfront Park Project and would delay the completion of the site for Portland Saturday Market's 2009 season.

CONCURRENCE

This action has been negotiated and agreed upon between PDC and BES.

BACKGROUND

The integration of the Odor Control Facility into the construction of the Waterfront Park Project improvements has been deemed appropriate due to the fact that it will increase the quality of this multi-functional public space immediately following construction completion and will eliminate foul odors from the area which will be adjacent to Portland Saturday Market's food

court. These improvements were anticipated to be completed at a later date by BES, but the decision has been made to incorporate it into the existing construction contract in order to complete at the same time as the rest of the improvements in Waterfront Park.

BES retained the firm of West Yost Associates for the design of an odor treatment system for the Ankeny wastewater pump station and the nearby Ankeny Shaft, which is part of the West Willamette Combined Sewage Outfall (CSO) system. The objective of the odor control treatment facility is to minimize obnoxious (very foul) odors when air is rapidly discharged from the CSO pipe system, typically after a rain event that must be vented to provide maximum wastewater flow. If not treated the odors would be very detrimental to the Portland Saturday Market and other park uses near the pump station.

Originally in early 2008 this project was to have been bid separately by BES and the work completed prior to the start of the Waterfront Park Project. Due to a number of major redesign issues – as part of the major Pump Station \$20 million long-term upgrade project and integration of the design with the Waterfront Park Project – final design was completed in mid-September. There was insufficient time for BES to bid and get a contractor on the site to complete work before February 26, 2009. In September BES asked PDC to assist them with the effort by using Brown Contracting, already mobilized and working at the Waterfront Park Project.

The Odor Control Facility civil work consists of installing the entire “in-ground” portion of the system and will enable the surface finish work to occur as part of the Waterfront Park project. Cost increases related to weather delays, material purchase that was not previously anticipated, and unforeseen subsurface soil contamination issues have resulted in the entire project contingency being utilized earlier than anticipated, prompting the need to increase BES funded expenditures on the project.

BES intends by separate contract in mid-2009 to complete all the mechanical and other operational parts of the system with the goal to have a fully operating system by late 2009. A temporary measure to plug and/or bypass odors will be deployed during the interim period.

ATTACHMENTS:

- A. URA Financial Summary
- B. Project Summary and Map

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>
Downtown Waterfront URA						
Resources						
Beginning Fund Balance	5,651,973	21,783,972	6,315,531	-1,803,217	-1,362,801	-889,555
Budgeted Transfers	1,947,303	1,643,986	0	0	0	0
Interest - City Invest Pool	600,000	279,607	100,000	0	0	0
Loans - Interest Earned	340,095	350,000	350,000	0	0	0
Loans - Principal Collection	1,503,000	2,900,000	350,000	0	0	0
Real Property Sales	5,775,000	425,000	6,625,000	0	0	0
Tax Increment - L-T Debt	45,630,000	0	2,156,092	470,656	477,246	473,925
Tax Increment - S-T Debt	7,409,982	0	0	0	0	0
Total Fund Resources	68,857,353	27,382,565	15,896,623	-1,332,561	-885,555	-415,630

Requirements

Project Expenditures (does not include Personal Services or Indirect Cost)

Development

10025 - DTWF OT/CT Streetscape	25,000	0	0	0	0	0
10213 - DTWF A/B Property Redev	9,900,000	0	4,000,000	0	0	0
10214 - DTWF Fire St Land/Cnst	35,000	1,000,000	0	0	0	0
10215 - DTWF A/B Public Imprvt	2,239,738	9,450,000	0	0	0	0
10216 - DTWF Multnomah County	9,200,000	200,000	0	0	0	0
10219 - DTWF Retail Loan Program	500,000	0	0	0	0	0
10220 - DTWF A/B Historic Pres	120,000	410,000	0	0	0	0
10221 - DTWF Transit Mall Redev	250,000	50,000	0	0	0	0
11234 - DTWF Burnside/Couch	800,000	0	0	0	0	0
11237 - DTWF Union Station Mgmt	440,000	0	0	0	0	0
11244 - One Waterfront Place	5,000	0	0	0	0	0
11601 - DTWF Comm Outreach	5,000	0	0	0	0	0
13080 - DTWF Historic Pres DOS	50,000	0	0	0	0	0
13084 - DTWF U&R Redev	300,000	0	0	0	0	0
13130 - DTWF Union Station Environ	50,000	0	0	0	0	0
13152 - CDBG Home Rehab C/W -test	30,000	0	0	0	0	0
14205 - DTWF White Stag Seismic	228,090	0	0	0	0	0
14206 - DTWF Seismic Loans	2,117,000	1,462,500	0	0	0	0
16306 - South OT/CT Redevelopment	450,000	350,000	10,000,000	0	0	0
16309 - DTWF RiverPlace Environ	0	0	1,400,000	0	0	0
16310 - DTWF Signage & Lighting	60,000	0	0	0	0	0
Development Total	26,804,828	12,922,500	15,400,000	0	0	0

Economic Development

11022 - DTWF Business Retention	100,000	0	0	0	0	0
12202 - DTWF Storefront Grants	545,679	517,000	0	0	0	0
70011 - DTWF Business Finance	4,106,323	1,000,000	0	0	0	0
Economic Development Total	4,752,002	1,517,000	0	0	0	0

Housing

32116 - DTWF Blanchet House	1,000,000	0	0	0	0	0
34503 - MFH - Hotel Alder	7,914	0	0	0	0	0
34504 - DTWF Rich/Estate	530,086	0	0	0	0	0
37916 - DTWF Hsg Policy/Planning	5,000	5,000	0	0	0	0
80032 - DTWF Musolf Manor	4,000,000	300,000	0	0	0	0
80033 - DTWF Westshore	309,500	0	0	0	0	0
80034 - DTWF Community Facilities	610,000	0	0	0	0	0
80035 - DTWF Aff Homeownership	0	2,500,000	1,500,000	0	0	0
80036 - DTWF Yards At Union Square	3,700,000	0	0	0	0	0
80037 - Grove Apartments	5,200,000	0	0	0	0	0

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>
Downtown Waterfront URA						
80038 - Downtown Access Center	500,000	0	0	0	0	0
80039 - 333 Oak	1,650,000	690,000	0	0	0	0
80040 - DTWF Affordable Homeownership	500,000	0	0	0	0	0
80041 - 3rd & Oak Parking Oblig	0	51,840	51,840	30,240	0	0
Housing Total	18,012,500	3,546,840	1,551,840	30,240	0	0
Central Services						
59155 - DTWF Debt Management	50,000	50,000	0	0	0	0
Central Services Total	50,000	50,000	0	0	0	0
Executive						
60000 - DTWF Westside/Central City	202,209	75,000	48,000	0	0	0
Executive Total	202,209	75,000	48,000	0	0	0
Total Project Expenditures	49,821,539	18,111,340	16,999,840	30,240	0	0
Operating Transfers Out	0	80,000	0	0	0	0
Personal Services	31,791	0	0	0	0	0
Indirect Cost	6,219,879	2,875,694	700,000	0	0	0
Total Fund Expenditures	56,073,209	21,067,034	17,699,840	30,240	0	0
Contingency	0	6,315,531	0	0	0	0
Ending Fund Balance	12,784,144	0	-1,803,217	-1,362,801	-885,555	-415,630
Total Requirements	68,857,353	27,382,565	15,896,623	-1,332,561	-885,555	-415,630

PROJECT SUMMARY

- Project Name:** Ankeny / Burnside Public Realm Improvements
- Description:** Construction of Waterfront Park for Portland Saturday Market’s new home, and public safety improvements to Burnside Bridge MAX Station and the underside of the Burnside Bridge and Ankeny Wastewater System Odor Control Civil Work at Waterfront Park.
- Location:** Ankeny / Burnside
- URA:** Downtown Waterfront
- Current Phase:** Implementation
- Next Milestone:** Construction Work In-Progress
- Completion Target:** Substantial Completion of Waterfront Park & Odor Control February 26, 2009
- Outcome:** Revitalization of the Ankeny / Burnside area pursuant to recommendations which were proposed through the Ankeny / Burnside Development Framework planning process and completion of a part of the Ankeny Wastewater System Odor Control facilities.

Site/Project Map:

