DATE: June 24, 2009

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 09-78

Approve a $600,000 grant to ROSE Community Development Corporation to construct a community park at Marysville School

**EXECUTIVE SUMMARY**

**BOARD ACTION REQUESTED**

Adopt Resolution No. 6717

**ACTION SUMMARY**

This action will authorize the Director to negotiate and execute a grant agreement with ROSE Community Development Corporation (ROSE) and a use agreement with Portland Public Schools (PPS), both substantially in accordance with the Term Sheets attached to the Resolution as Exhibits A and B. The grant agreement will provide $600,000 to ROSE to facilitate construction of a school/community park at 7733 SE Raymond Street, Marysville Elementary School (K-8) in the Lents Town Center (Lents) Urban Renewal Area (URA). The school site is owned by PPS. When completed, ROSE will donate the improvements to PPS. PPS will be obligated through the use agreement to provide on-going maintenance of the park and to continue its use as a school/community park. Construction is expected to begin in July 2009 and be complete within six (6) months.

**PUBLIC BENEFIT**

The park to be constructed will serve the students of Marysville School during school days and hours, and will be open and available for citizens and the Lents’ community at large during non-school hours.

Marysville School recently transitioned to a K-8 school and has close to 500 students who would be direct beneficiaries of the project. Marysville School’s boundaries are Powell Blvd to the North, Woodstock to the South, and 86th to the East. Marysville students also transfer from surrounding school areas, including Lent, Kelly, Earl Boyles, and Alice Ott Schools. The Marysville School area has some of the highest poverty rates in Portland. At Marysville, 80 percent of students qualify for free or reduced lunches and 28 percent of students speak a language other than English as their native language. There are 18 different languages being spoken by children enrolled at Marysville, including Vietnamese, Spanish, Russian, Chinese, Krahn (Liberia) and May May (Somalia).

The First Amendment to the Lents Town Center Urban Renewal Area Final Report and Recommendations identified the Marysville School site as an open space, but found that the facilities were deficient and in need of upgrading. The site was added to the Lents URA in
part for this reason. This project will help cure this deficiency in the neighborhood and will benefit the community as a whole. The unimproved area is approximately three (3) acres and is well-suited for a combination school playground/community park use, similar to other school/community park models that are a partnership of PPS and Portland Parks and Recreation (PP&R), such as Sunnyside, Winterhaven and King School Parks.

The playground/park design will feature ecological, environmental and water quality enhancements, add trees and landscaping, and provide a creative play area for the students at Marysville School and the community at large. Unique features planned include Native American art, climbing rocks, earthen mounds, a nature trail, covered pavilions, new lighting, and vegetative screens. The existing parking lot will be relocated to the east side of the site to improve community access. The perimeter of the site will not be fenced or gated.

The playground and park areas will be open to the general public, except that Marysville School will have priority use of the playground and soccer field during regular school hours and the discretion to limit access to the area during these times.

Portland Development Commission’s (PDC’s) $600,000 grant leverages more than $548,000 of in-kind donations for architectural, design, and engineering services, project management and legal services and cash donations plus $366,000 in city funds.

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 project was initiated in 2007 by the Marysville Advisory Board, a group of higher education, corporate and social service leaders dedicated to locating additional resources to ensure equal educational opportunities at Marysville School. The advisory board approached PPS about the school/community park project and then worked with Impact Northwest (formerly Portland Impact) and community members to secure in-kind donations, grants and private donations to design and construct the community park.

The First Amendment to the Lents Town Center Urban Renewal Plan (2008) added Marysville School to the URA boundaries anticipating a project to improve public spaces at the school. A comprehensive public participation plan was implemented by PDC staff to elicit feedback from community members, stakeholders and the existing Lents Urban Renewal Advisory Committee members, potential expansion areas, and adjacent neighborhoods affected by the proposals. The First Plan Amendment is based in large part on the results of the public participation process, including a survey conducted by PDC staff.
COMPLIANCE WITH ADOPTED PLANS AND POLICIES

This project supports the following goals and objectives of the Lents Town Center Urban Renewal Plan (1998):

- Invest in developing parks, open space and other public facilities to promote revitalization of the Area.
  - Develop and/or improve parks and open space facilities to increase neighborhood livability and the vitality of commercial areas.
  - Develop and/or improve high-quality neighborhood parks within walking and biking distance of area neighborhoods. Each park should contain facilities appropriate for that park (e.g. playgrounds, playfields, and picnic tables).

Additionally, the project supports the PDC 2008-2012 Strategic Plan to ‘Seek and cultivate new and mutually beneficial partnerships.’ The PDC strategy is achieved by using PDC tools to support K-12 stability.

FINANCIAL IMPACT

The PDC Lents URA FY 2008-2009 budget includes $600,000 for this project—the majority of this amount is currently being carried over to FY 2009-2010.

The PDC funds ($600K) are approximately 40 percent of total project costs. The City of Portland also provided a grant of $366,000 and community members secured more than $548,000 of in-kind and private donations for the project.

The park will be owned by PPS, which has agreed to keep the site as a school/community park in perpetuity and provide on-going maintenance.

RISK ASSESSMENT

PPS desires to maintain the school/community park in perpetuity; however, PPS requires the flexibility to adapt as school needs may change and has asked for an opt-out option to allow for unforeseen future needs of the school district. The opt-out option would allow PPS to change the use of the three acre site to accommodate future school space needs or to otherwise act in the public’s interest, as necessary. If PPS exercises the opt-out option PDC’s investment and the public benefit would be lost.

This risk is mitigated by the requirement that PPS enter into a Use Agreement with PDC, whereby PPS will be required to repay PDC all or part of the grant amount in the event PPS or its successors convert the park to other non-park uses. PDC is negotiating a grant repayment schedule with PPS in the event the school/community park is no longer available for public use. The repayment obligation will decline the longer the park is maintained and operated as agreed. The repayment obligation will end no sooner than 20 years. The proposed resolution grants the Director discretion and authority to negotiate the final repayment terms of the Use Agreement.

The Use Agreement will also require PPS to allocate adequate maintenance budget to preserve the facilities.
The park improvements are designed to require low maintenance, including low maintenance landscaping. PPS has partnered with PP&R on other school/community parks where the maintenance obligation is split between the school area and the public park area. Though PP&R is not a partner in this project, PPS is aware of parks maintenance requirements.

The PDC grant will be disbursed on an actual cost reimbursement basis. PDC funds will be disbursed pro-rata with other construction funding sources (PDC funds are approximately 58 percent of construction costs). All other project funds have been received. A contractor contingency of almost nine (9) percent is included in the budget to mitigate risk of cost increase. ROSE is an experienced developer and project manager.

WORK LOAD IMPACT

This project will require a PDC Construction Coordinator to be assigned to support the Project Manager to monitor construction progress. Assignment of a Construction Coordinator is being worked out and services may be arranged through an IGA with Housing, handled by a Central Services Construction Coordinator or done via contractor.

ALTERNATIVE ACTIONS

The PDC Board of Commissioners could elect not to authorize the execution of these documents. This would trigger either the cancellation of the project, a reduction in the scope of the project, or additional fundraising by community members and/or City of Portland.

CONCURRENCE

This grant has been reviewed by the PDC Loan Committee and recommended for approval. The Urban Development Department’s Neighborhood Division and the Southeast URA Team support this project. Portland City Council showed support for this needed parks project by providing a grant of $366,000 in January 2009. Community efforts have secured in-kind and cash donations of more than $548,000 for the project.

BACKGROUND

The Marysville School site was added to the Lents Town Center URA boundary when the URA was amended in June 2008. Improving the open space around the school to add needed park area was anticipated for funding when the boundary expansion was being considered. The creation of a new playground and park will stimulate learning and play experiences for Marysville students and the park will become a focal point for the community.

Marysville School is one of the oldest elementary schools in the PPS District. Many students are the fourth generation in their families to attend Marysville School. The school curriculum points to accomplishments that stand out among Portland neighborhood schools and includes after-school enrichment classes; hands on learning in physics, engineering, architecture, and
design; and Spanish literacy and support for K-3. The school succeeds because of strong partnerships with families, business and community organizations.

PROJECT TEAM

ROSE offered to take responsibility for managing the construction of the park improvements and administer project funds. ROSE has the capacity and experience to successfully complete this project, including compliance with any regulatory documentation that may be required. All project donations and other grant funds have been received. ROSE has 36 loans or grants with PDC for multi-family and single-family housing development. ROSE’s total outstanding obligation to PDC is $3,349,718. All loans are current.

From ROSE’s website: “ROSE Community Development combines affordable housing programs with supportive services and economic opportunities to Revitalize Outer South East.” Over the years, ROSE has been recognized for developing affordable housing and for contributions to the community and improving neighborhoods.

Construction is expected to be complete in six (6) months and when complete, Rose will donate the park improvements to PPS. PPS will continue to own the site and the new improvements. PPS desires to use the open space as a school/community park in perpetuity, during which time PPS agrees to maintain the facilities. PPS has requested of PDC an opt-out option in the case of unforeseen future needs of PPS that would require the school grounds to be used to accommodate future population growth.

ATTACHMENTS:

A. URA Financial Summary
B. Project Summary
C. Project Designs
# URA FINANCIAL SUMMARY

## Financial Summary

**Fund Summary - Five-Year Budget Projections**

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## Requirements

**Program Expenditures**

- **Business & Industry**
  - **Community Economic Development**
    - 72030 Community Economic Development
      - Revised: 0, Approved: 250,000, Forecast: 250,000, 400,000, 500,000, 500,000
  - **General Business Assistance**
    - 79020 Business Finance:
      - Revised: 500,000, Approved: 1,100,000, Forecast: 1,100,000, 1,300,000, 1,400,000, 1,500,000
    - 79022 Business Retention:
      - Revised: 100,000, Approved: 100,000, Forecast: 100,000, 100,000, 100,000
  - **Business & Industry Total**: Revised: 600,000, Approved: 1,450,000, Forecast: 1,450,000, 1,800,000, 2,000,000, 2,100,000

**Housing**

- **Multi-Family - For Sale**
  - 32110 122nd and Pardee:
    - Revised: 873,000, Approved: 0, Forecast: 0, 0, 0, 0
  - 33418 New Homeowner Dev:
    - Revised: 1,414,651, Approved: 0, Forecast: 0, 600,000, 1,000,000
  - 33438 ROSE/PCLT Homeownership:
    - Revised: 0, Approved: 100,000, Forecast: 0, 0, 0
  - 33441 Dahlia Commons Homeownership:
    - Revised: 0, Approved: 675,000, Forecast: 0, 0, 0
  - 33442 Habitat for Humanity #3:
    - Revised: 0, Approved: 230,000, Forecast: 0, 0, 0

- **Multi-Family - Rental Housing**
  - 60010 LTC Foster School Housing Dev:
    - Revised: 0, Approved: 0, Forecast: 0, 0, 0
  - 89015 Rental Rehabilitation Projects:
    - Revised: 0, Approved: 200,000, Forecast: 0, 0, 0
  - 89030 Affordable Rental Housing:
    - Revised: 2,400,000, Approved: 2,300,000, Forecast: 1,900,000, 2,200,000, 4,000,000, 2,000,000

**Plans and Strategies - Housing**

- 37914 Housing Policy/Planning:
  - Revised: 5,000, Approved: 0, Forecast: 0, 0, 0

**Portland Housing Bureau**

- 28925 Administration:
  - Revised: 0, Approved: 161,956, Forecast: 468,720, 549,900, 527,400, 553,284

**Single-Family - Home Repair**

- 32131 REACH Home Rehabilitation:
  - Revised: 125,000, Approved: 125,000, Forecast: 125,000, 150,000, 150,000
- 89010 Home Repair Projects:
  - Revised: 250,000, Approved: 250,000, Forecast: 250,000, 300,000, 300,000, 550,000

**Single-Family - Homebuyer Assistance**

- 37929 Scat Site Homeownership Acq HAP
  - Revised: 2,231,527, Approved: 0, Forecast: 0, 0, 0
- 37930 Scat Site Home Rehab & Subs HAP
  - Revised: 0, Approved: 1,308,473, Forecast: 0, 0, 0
- 89020 Home Buyer Assistance:
  - Revised: 1,400,000, Approved: 900,000, Forecast: 200,000, 700,000, 700,000, 800,000

**Housing Total**: Revised: 5,688,178, Approved: 6,250,069, Forecast: 2,843,720, 4,489,900, 5,677,400, 4,903,284
### Financial Summary

#### Fund Summary - Five-Year Budget Projections

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**PROJECT SUMMARY**

**Project Name:** Marysville Park  
**Description:** Develop a playground/park on three acre site owned by Portland Public Schools. Project features include ecological, environmental and water quality enhancements, add trees and landscaping, and provide a creative play area, including art, climbing rocks, earthen mounds, a nature trail, covered pavilions, new lighting, and vegetative screens.  
**Location:** 7733 SE Raymond Street  
**URA:** Lents Town Center URA  
**Current Phase:** Design complete  
**Next Milestone:** Start construction  
**Completion Target:** December 2009  
**Outcome:** New school/community park  
**Site/Project Map:**