

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: August 26, 2009

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 09-102

Intergovernmental Agreement with Portland Parks & Recreation for Design of The Fields Neighborhood Park (NW Overton Street between NW 10th and NW 11th Avenues) in the River District Urban Renewal Area; providing funding in an amount not to exceed \$593,586.

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6733

ACTION SUMMARY

This action will authorize the Executive Director to execute an Intergovernmental Agreement (IGA) between the Portland Development Commission (PDC) and Portland Parks & Recreation (PP&R) for the design of The Fields Neighborhood Park (the Park). The planned 3.3 acre park is located in the Pearl District, north of NW Overton Street between NW 10th and NW 11th Avenues. This IGA will provide up to \$593,586 to PP&R to finalize the design and prepare construction documents for the Park including the following design elements for fiscal years 2009-10 and 2010-11:

	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>Total</u>
Schematic Design/Design Development	\$318,193	\$ 0	\$318,193
Construction Documents/Permits	\$ 44,739	\$230,654	\$275,393
Total	\$362,932	\$230,654	\$593,586

PDC previously provided \$179,749 to PP&R to prepare a Concept Plan for the Park under a prior Interagency Agreement Work Order. The Concept Plan was completed in 2007.

This IGA includes funds to assess and refine the Park design as it relates to the bridge connection between the Park and the Centennial Mills site (Attachment "B"). This refinement will include coordinating with Centennial Mills developers and project stakeholders regarding bridge take off/landing points and horizontal and vertical alignments to ensure the Park and Centennial Mills designs are compatible. Design and construction of the bridge is not included in this IGA and will be funded separately by PDC.

This IGA does not include funding for construction or construction management. PDC and PP&R will enter into a new agreement for the construction of the Park, which will require PDC Board of Commissioners (Board) approval.

PUBLIC BENEFIT

Preparation of schematic plans and construction documents leading to the eventual development of the property as a three-acre public park will provide much needed active recreational space in the high-density, transit-oriented Pearl District neighborhood. The Park is anticipated to be a relatively large neighborhood park with a largely flat, unprogrammed grassy area that will serve to complement the two other nearby parks, the small and active Jamison Square and the passive Tanner Springs Park. The large, flexible open space of the Park is intended to contrast with the surrounding urban development and provide a variety of recreational opportunities throughout the year. Together, these three parks will provide a full range of recreational opportunities for and enhance the livability of the neighborhood for residents, employees, and visitors. In addition, the Park will further implement the planned desire to extend the North Park Blocks into the Pearl District and connect the neighborhood to the Willamette River.

In January 2009, the Park was identified as one of three PP&R capital projects in the “Portland Job Creation and Business Stimulus Package” and is anticipated to directly create 43 jobs based on an economic multiplier on the \$3.1 million estimated construction budget. The work included in this IGA will advance the project to be construction ready.

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 the Park has involved a Citizen Advisory Committee (CAC) and numerous public involvement opportunities, including presentations, open houses, workshops, and questionnaires. This process has been managed by PP&R in coordination with PDC. Feedback from this committee has helped shape the Park design and programming. PP&R and PDC will continue to involve the CAC in this next phase of work to refine the Concept Plan and complete schematic design.

PP&R staff and design team will also make an informational presentation to the Design Commission as part of this next phase of work.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

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

- River District Urban Renewal Plan (1988): promotes the provision of services and amenities that support housing; creating and enhancing connections between the neighborhood and the Willamette River, including the extension of the North Park

Blocks through the River District; and creating open spaces that provide an attractive setting for residents.

- Tanner Creek Park and Water Feature Steering Committee Report, adopted by the Portland City Council on October 21, 1998, which identified the basic size, configuration, location and programming for four River District public parks, including the Park.
- The Amended and Restated Agreement for Development, entered into by the City of Portland and Hoyt Street Properties (HSP) on March 2, 1999, which called for the acquisition of HSP-owned property for the development of the Park.
- The PDC 2008-2012 Strategic Plan which calls for developing key public amenities that enhance community livability and economic vitality and revitalizing blighted areas through strategic partnerships.
- The City of Portland Economic Development Strategy, adopted by City Council on July 8, 2009, which calls for investing in the next generation built environment, enhancing the vitality and distinctiveness of the Central City to showcase our sustainable way of life and attract creative talent, and capturing job growth in neighborhoods such as the Pearl District.
- PDC Cost Recovery Policy (Resolution No. 6560) (2008): this policy does not apply to this IGA since PDC is not providing goods or services to PP&R.

FINANCIAL IMPACT

This action will contribute \$593,586 towards the design of the Park. The adopted FY 2009-10 River District Urban Renewal Area (URA) budget includes \$5.25 million specifically for the design and construction of the Park (13119) for the combined FYs 2008-09, 2009-10, and 2010-11 (see Attachment "A").

Total hard and soft costs for the Park have been estimated at \$5.25 million. These costs will continue to be refined as the schematic plans and construction documents are produced. PDC is currently the only funding source for the Park. PDC's investment is anticipated to leverage the dedication of Blocks 22 and 25 by HSP to the City to increase the size of the Park from two to three acres. HSP has indicated a willingness to dedicate these properties but has not yet executed a Dedication Agreement with the City.

By designating this site for a public park, PDC and the taxing jurisdictions will forgo property tax revenue generated by the property in the future. However, as the site has been designed for park use for over ten years and is currently publicly owned, this will not impact expected future tax revenue for the property.

Although PDC has budgeted \$5.25 million for design and construction of the Park, this IGA does not include funding for construction or construction management. PDC and PP&R will enter into a new agreement for the construction of the Park, which will require Board approval. This approach will allow for more detailed analysis of construction cost estimates and appropriate contingency levels to be built into the IGA, along with details on a construction management approach.

RISK ASSESSMENT

Preparation of schematic plans and construction documents are a necessary precursor and expense associated with development of the property as a public park. Funding for construction of the Park is not included in this IGA; therefore, this IGA does not obligate PDC to fund the Park construction. A decision for PDC to fund the Park construction will be brought to the PDC Board at a future meeting and will be contingent on Park construction estimates and availability of PDC budgeted funds.

Entering into this IGA creates the following risks:

- There is a risk PP&R does not have adequate staff to manage this project. This risk has been discussed with PP&R staff and an understanding reached that the Park, as one of three PP&R projects included in the 2009 Portland Job Creation and Business Stimulus Package, is a high-priority project requiring diligent efforts by PP&R to make the project construction-ready as soon as possible.
- There is a risk the total hard and soft costs may increase above the \$5.25 million budgeted by PDC for the project. This could occur due to unforeseen circumstances, such as the environmental condition of the property; and a desire by the public for a park design and facilities that exceed the previously estimated construction costs.

To mitigate the environmental risks, PDC recently completed a Phase 1 and Phase 2 Environmental Assessment of Blocks 22 and 25. This study identified the need for an additional \$300,000 to \$500,000 in previously unexpected construction costs to address environmental issues. While these costs were previously not anticipated, there should be no additional undiscovered costs and these costs can be accommodated within the overall \$5.25 million PDC budget for the project. PDC and PP&R have coordinated these assessments with HSP and have reached an understanding that HSP will dedicate Blocks 22 and 25 to PP&R only after receiving a Certificate of Completion from the Department of Environmental Quality for the Interim Remedy in accordance with the Record of Decision for the properties.

To mitigate the potential for cost escalation associated with the Park design, the IGA requires PP&R and PDC to work collaboratively with the citizen advisory committee to select a park design within the anticipated \$5.25 million total project budget. This process will include a cost reconciliation process whereby PP&R and consultants will (1) evaluate and refine the quantity and quality of materials associated with the 2007 Concept Plan; and (2) prioritize the design elements that exceed the construction budget. The prioritized design elements will then be identified as construction contract alternates. These items will be added to the contract if bids are below the consultant estimated construction cost. Design elements not identified as alternates may be designed into the final construction documents but identified as a “future phased item” not included in the construction contract but potentially built at a later time.

WORK LOAD IMPACT

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

ALTERNATIVE ACTIONS

The Board could elect to not authorize the IGA. Since PDC is currently the only identified funding source for this project, this would result in a shortfall for PP&R of approximately \$593,586 to complete the design and construction documents for the Park. Consequently, PP&R would be required to either seek alternative funding sources or put the project on hold. If other alternative funding sources are not available, this would represent a lost opportunity to advance a project included in the City's economic stimulus package and demonstrate the City's commitment to the Portland River District Park System urban Design Framework Study and Development Agreement with HSP.

The Board could also request changes to the IGA to address specific concerns, with the authorization to execute the IGA conditioned upon addressing the identified issues or with the IGA brought to the Board for approval at a subsequent meeting.

CONCURRENCE

PP&R and the Pearl District Neighborhood Association (PDNA) are in favor of approving the IGA.

This IGA is consistent with City Council Ordinance No. 181232, adopted on August 29, 2007, which delegated to the PP&R Director and the City Auditor the authority to enter into intergovernmental agreements with PDC. The form of agreement used for the IGA is substantially similar to the template that was approved by City Council through the above referenced Ordinance.

BACKGROUND

The planned conversion of the Pearl District from a primarily industrial and warehousing district to a high-density, mixed-use, transit-oriented neighborhood was initiated in the late 1980s and progressed in the 1990s with the adoption of a series of plans and development agreements. Foremost amongst these were the Development Agreement between the City of Portland and HSP (1997, amended 1999) and the adoption of the River District Urban Renewal Plan (1998). Each of these planning and development activities recognized the need to establish public parks in order to create a livable and attractive setting for future residents, employees, and visitors.

In 1997, the Tanner Creek Park and Water Feature Steering Committee was established to develop a parks plan for the Hoyt Street Property and the River District. The resulting report, adopted by City Council in 1998, identified the size, configuration, location and programming for four River District parks: South Park Square (now Jamison Square), North Park Square (now Tanner Springs Park), the Neighborhood Park (now known as The Fields and referred to herein as the Park), and Riverfront Park. The report stated the Park should be approximately 2.1 acres in size with an open, multi-use space for informal, unstructured recreation activities. The City Council directed PP&R and PDC to jointly implement the parks plan.

In 1999, PP&R and PDC retained Peter Walker and Partners to create the urban design plan for the first three parks (The Portland River District Park System Urban Design Framework Study). With the input of a steering committee and two public workshops, the framework plan included a common theme of water and other recurring elements strengthening the connection between

the parks and the waterfront. This framework plan stated the Park should provide a venue for the recreational needs of the neighborhood with the majority of the site devoted to a relatively flat, irregularly shaped grass meadow maintained for passive and informal recreation. The plan also envisioned a boardwalk connecting the three parks and extending over the railroad tracks, thereby directly connecting the three parks and the neighborhood to the waterfront.

Jamison Square and Tanner Springs Park were subsequently developed by PP&R and PDC consistent with these plans. Jamison Square opened in 2002 and Tanner Springs Park in 2004.

The 2.1 acre site for the Park was purchased by PDC and conveyed to PP&R for park use on February 1, 2005.

In March 2006, HSP completed the Hoyt Street Properties Master Plan which proposed to include the HSP-owned Blocks 22 and 25 as part of the Park, thereby increasing the size of the Park to approximately 144,432 square feet (3.3 acres).

PP&R and PDC began the design of the Park in 2006. A team led by The Office of Cheryl Barton was hired to work with a citizen advisory committee to design the Park. The team completed a Concept Plan in late 2007 that included a proposed pedestrian bridge linking the Park to the Centennial Mills property.

Between 1999 and 2007, the redevelopment emphasis for Centennial Mills shifted from establishing a waterfront park to retaining and revitalizing the historic structures. In November 2007, the design of the Park was put on hold to allow the Centennial Mills development team additional time to advance schematic plans for the site, to allow PDC and PP&R staff a better opportunity to understand connections between the two sites, and to allow additional time for the dedication of Blocks 22 and 25 by HSP to PP&R.

Since the Park design was put on hold, Centennial Mills developers have advanced concept plans for the redevelopment of that site. This new information indicates the bridge alignment connecting the two properties assumed as part of the 2007 Concept Plan (Attachment "B") may not be compatible with Centennial Mills redevelopment plans. Prior to moving forward with schematic design for the Park, there is a need for PP&R and the design team to assess and refine the Park design as it relates to the bridge connection between the two projects. This refinement will include coordinating with Centennial Mills developers and project stakeholders regarding bridge take off/landing points and horizontal and vertical alignments to ensure the Park and Centennial Mills designs are compatible.

The design of and construction documents for the Park are anticipated to be completed in 2010, with construction completed in 2011.

ATTACHMENTS:

- A. River District URA Financial Summary
- B. Project Summary

URA FINANCIAL SUMMARY

Financial Summary

Fund Summary - Five-Year Budget Projections

	Revised FY 2008-09	Adopted FY 2009-10	Forecast FY 2010-11	Forecast FY 2011-12	Forecast FY 2012-13	Forecast FY 2013-14
River District URA						
Resources						
Beginning Fund Balance	16,879,294	19,872,035	3,414,718	7,580,135	4,655,385	3,271,635
Fees and Charges	0	0	0	0	0	0
Interest on Investments	320,000	1,000,000	200,000	50,000	50,000	50,000
Loan Collections	625,000	1,300,000	300,000	300,000	300,000	300,000
Property Income	200,000	200,000	200,000	200,000	200,000	200,000
Reimbursements	1,452,500	125,000	125,000	125,000	0	0
Tax Increment Proceeds	18,944,960	17,582,400	50,416,817	0	0	0
Total Resources	38,421,754	40,079,435	54,656,535	8,255,135	5,205,385	3,821,635
Requirements						
Program Expenditures						
Business & Industry						
General Business Assistance						
79020 Business Finance	1,100,000	2,100,000	3,100,000	0	0	1,100,000
Business & Industry Total	1,100,000	2,100,000	3,100,000	0	0	1,100,000
Housing						
Multi-Family - Rental Housing						
32138 Pearl Family Housing	900,000	12,000,000	7,000,000	0	0	0
37937 Access Center - Afford Housing	850,000	0	0	0	0	0
37938 Blanchet House Redev	465,000	0	0	0	0	0
37940 New Avenues for Youth	0	1,200,000	0	0	0	0
80036 Yards at Union Station	50,000	0	0	0	0	0
80037 Grove Apartments	500,000	0	0	0	0	0
89030 Affordable Rental Housing	0	500,000	4,000,000	0	0	0
Portland Housing Bureau						
28025 Administration	0	62,297	751,640	0	0	0
Housing Total	2,765,000	13,762,297	11,751,640	0	0	0
Infrastructure						
Facilities						
60020 Union Station	725,000	0	0	0	0	0
Parks						
13119 Neighborhood Park	350,000	2,450,000	2,450,000	0	0	0
Transportation						
11233 Public Site Improvements	0	200,000	0	0	0	0
11234 Westside Burnside-Couch Couplet	1,100,000	0	0	0	0	0
11263 RD Public Site Improvements	250,000	0	0	0	0	0
13137 Streetcar Loop Project	2,100,000	10,400,000	4,500,000	0	0	0
Infrastructure Total	4,525,000	13,050,000	6,950,000	0	0	0

PROJECT SUMMARY

- Project Name:** The Fields Neighborhood Park
- Description:** 3.3-acre public park
- Location:** North of NW Overton Street between NW 10th and NW 11th Avenues
- URA:** River District
- Current Phase:** Schematic Design, Design Development, Construction Documents.
- Next Milestone:** Completion of Construction Documents
- Completion Target:** December 2010
- Outcome:** Refinement of 2007 Concept Plan and completion of schematic design and construction documents and associated cost estimates.

Project Map – The Fields Concept Plan (2007):

