

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. _____

Approving the FAC-1 Project Construction of the Gladys McCoy Health Department Headquarters Facility and Authorizing the County Chair to Execute the Guaranteed Maximum Price Amendment.

The Multnomah County Board of Commissioners Finds:

- a) The County Health Department is housed in the McCoy Building, an aging, retail building, in need of costly seismic upgrades and not well suited for provision of health services to the public. Multnomah County (County) has searched for a replacement Health Department headquarters building for a number of years. In August of 2010, the County, in cooperation with Home Forward, began to study the feasibility of relocating the McCoy Building functions to a new facility on the vacant, easterly portion of Block U at N.W. 6th Ave & Hoyt St (Project), then owned by the Portland Housing Bureau (PHB).
- b) In December of 2011, the Multnomah County Board of Commissioners (Board) approved Resolution 2011-141: FAC-1 Health Department Headquarters Preliminary Planning Proposal, which directed the Health Department and Facilities & Property Management to work with Home Forward to submit the proposal to PHB to secure the site for the Project – the proposal was submitted on December 21, 2011.
- c) In May 2012, the County contracted with Home Forward, as the developer for the Project. In November 2012, the Board approved the acquisition of the land from PHB in Resolution #2012-191 and a Portland Development Commission (PDC) Tax Increment Financing (TIF) contribution in Resolution #2012-192 (PDC Grant IGA). Following these resolutions and the solicitation and evaluation of competitive proposals, ZGF Architects was selected to perform programming and design services, and JE Dunn Construction Company was selected as Construction Manager/General Contractor (JE Dunn) to perform pre-construction services. Home Forward and JE Dunn executed and entered into the CM/GC Contract for the Project with an effective date of July 16, 2013 (CM/GC Contract).
- d) In April 2014, the Board approved the FAC-1 Project Plan, authorizing the completion of design development. Design Development was completed in June 2014. At the time, height restrictions for the Block U Project site limited development to six floors, which was insufficient to accommodate Health Department programs now located at the McCoy and Lincoln buildings.

- e) In January 2015, the County and Home Forward mutually agreed to terminate the IGA for Development Services for the Project, and the County assumed the Project owner's responsibilities in the CM/GC Contract. The County re-evaluated the Project strategy in order to provide on-going growth & flexibility. The County worked with the Portland Bureau of Planning and Sustainability to explore options for greater development capacity on the existing Block U Project site.
- f) In June 2015, the City of Portland approved a Zoning Map Amendment that increased the development capacity of the Project site. By a Second Amendment to the PDC Grant IGA, dated June 30, 2015 (the Second Amendment), the County and PDC agreed to extend the deadline for the Final Payment from June 30, 2015, to December 30, 2016, to provide additional time for the County to design and obtain entitlements for an expanded, 9-story Project prior to the County's acquisition of the U2 Block from PHB. The Second Amendment also provided for PDC's transfer to the County for the Project, on any date of PDC's choosing prior to December 31, 2018, of an additional Nine Million Four Hundred Ninety Nine Thousand Four Hundred Nine Dollars (\$9,499,409.00) (the Transfer Payment).
- g) In November 2015, the Board approved the FAC-1 Amended Project Plan and authorized the Schematic and Design Development Phases of the Project in Resolution #2015-118. In July 2016, the Board approved the FAC-1 Project Design and Construction Plan and authorized development of the Construction Documents for the Project in Resolution #2016-070. In November 2016, the Board approved the FAC-1 Project Design and Construction Early Work Package and authorized the Early Work Construction and Procurement for the Project in Resolution #2016-115.
- h) The County acquired the U2 Block from PHB on January 26, 2017, and, on February 15, 2017, the City of Portland's Bureau of Development Services issued the foundation permit #16-227322-FND-01-CO for the Project. JE Dunn started construction on the U2 Block on February 17, 2017.
- i) The County and JE Dunn have executed four Early Work Amendments to the CM/GC Contract to date, to authorize site demolition and excavation, foundation, shoring, and underground waterproofing, procurement of elevators and steel, and installation of a tower crane, bringing JE Dunn's current contract balance to \$35,177,975, prior to approval and execution of the GMP Amendment.
- j) The conceptual Project budget totals \$94.1M. The GMP Amendment, if approved by the Board, will set a Project construction value of \$64,838,269, which includes the value of the Early Work packages previously approved by the Board.

- k) The County and JE Dunn, together with the labor unions representing trades working on the Project and equity stakeholders promoting equity and diversity in the skilled building trades, have negotiated and entered into a Project Labor Agreement, effective February 17, 2017 (PLA), a summary of which is attached to the GMP Amendment as Attachment 11. The PLA incorporates the County's Workforce Training and Hiring program and establishes uniform, standard working conditions and diverse community participation for the efficient performance of construction work on the Project. JE Dunn will endeavor to meet or exceed the County's aspirational goals for equity in contracting and workforce goals for Oregon State certified disadvantaged, minority-owned, women-owned, service disabled veteran-owned, and emerging small businesses (DMWSDVESBs) for the Project in accordance with the CM/GC Contract and the PLA.

The Multnomah County Board of Commissioners Resolves:

1. Approval of the FAC-1 Project Construction of the Gladys McCoy Health Department Headquarters Facility.
2. Authorization for the County Chair to execute the Guaranteed Maximum Price Amendment for the Gladys McCoy Health Department Headquarters Project in substantially the form attached hereto as Exhibit A. Board approval is needed for any modification or amendment that results in a material increase in the obligations of the County or a material decrease in the benefits for the County under the Guaranteed Maximum Price Amendment.

ADOPTED this 15th day of June, 2017.

**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

Deborah Kafoury, Chair

**REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON**

By _____
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Sherry Swackhamer, Director, Department of County Assets