



Health Department Headquarters



Board Briefing
December 13, 2011





Agenda



FAC-1 Process

Health Department and Home Forward

- Challenges with McCoy

Development Opportunity

- Role of Home Forward
- Home Forward Block U2 Option & Feasibility Study

Preliminary Project Proposal FAC -1

- Review of Proposal
- Community Outreach
- Funding Strategies

Next Steps



FAC-1 Process



- Administrative Procedure to ensure Board review and approval on significant phases of capital projects that exceed \$1,000,000
 - Phasing and process is customized to the specific needs of each project
- This is in the Preliminary Planning Proposal phase
 - Conceptual with definition of future project development phases



Health Department McCoy Operations



- Department leadership, and program support
- Office of the Health Officer
- Public health emergency preparedness and response
- Disease surveillance and reporting
- Grant-writing
- Communication and health education
- Pharmacy
- Clinics
 - TB and immunization
 - STD
 - HIV Care and Primary Care

McCoy Building Existing Conditions



- Built in 1923 for retail and administration
- 10 stories; 57,000 sf clinic; 37,000 sf administration
- Seismic upgrades to life safety response level estimated at \$13M
- Planned \$1.9M in 5yr Capital Improvements Plan
- 20yr Deferred Maintenance of \$15.3M
- Estimated annual operating cost of \$1.4M
- No debt service





Health Department

Requirements for New Headquarters Site



- Maintain accessibility for community members
 - Only site on the west side
- Maintain accessibility to public transit
 - Most employees use public transit
- Facility to accommodate 90,000 contiguous square feet
- Economically viable
 - Maintain, preferably reduce, the same overall operating costs



- Serving the citizens of Multnomah County by promoting hope, access and the potential for a better tomorrow
 - Oregon's largest affordable housing provider
 - More than 15,000 households served
- Fostering strategic partnerships
 - Recent Home Forward & Multnomah partnership to develop the James Hawthorne and Martha Washington Apartments
 - On-going partnership with Multnomah County weatherization program



Home Forward's role



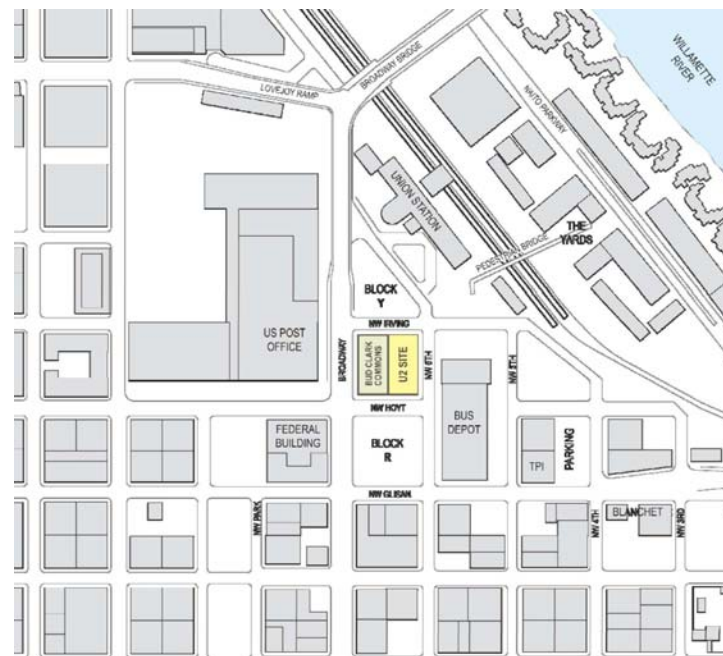
- Home Forward will serve as the County's developer for this project
 - Manage the design process
 - Manage the construction
 - Assemble financing
- Home Forward and Multnomah County share multiple goals
 - Community participation
 - MWESB targeted business participation
 - Sustainability and green building



Development Opportunity



- Home Forward option on Block U2
 - Site immediately adjacent to the Bud Clark Commons
 - Within the River District URA (\$26.9M available in Tax Increment Funding (TIF))
 - Close to McCoy Building
- Development potential to relocate all public health functions from the McCoy Building

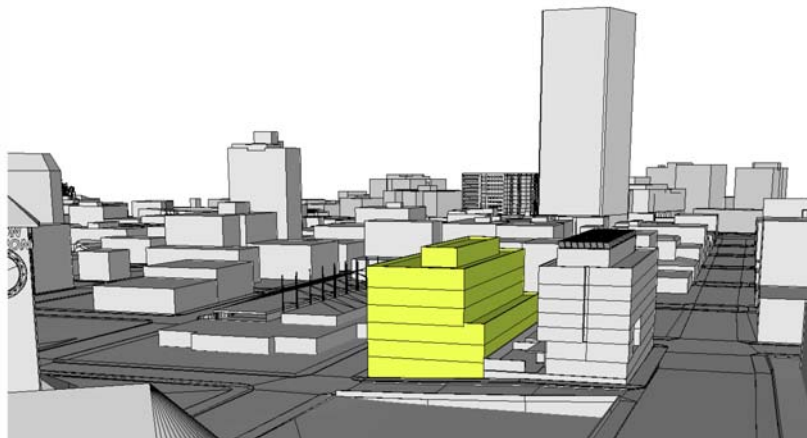




Feasibility Study



- Studied 3 Options based on capacity of site, financial feasibility, and County need
- Provided preliminary construction estimates
- Explored funding opportunities
- Preferred option is a six-story, 96,000 square foot concrete building
- Optimizes the site, vacates McCoy



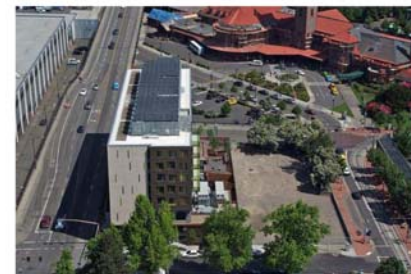


Preliminary Planning Proposal

Goals & Objectives



- Provide MCHD a permanent location to continue to deliver critical services
- Vacate and Dispose of the McCoy Building
- Use TIF resources to advance the County's Mission



Multnomah County Health Department Headquarters

Preliminary Planning Proposal

Project: A Headquarters for the Multnomah County Health Department, on NW 6th Avenue between NW Hoyt & Irving Streets (Block U2), developed in partnership with Home Forward (formerly the Housing Authority of Portland), to replace the McCoy Building.

Date: December 15, 2011

Sponsors and Stakeholders

Sponsors:
Multnomah County Chair Jeff Cogen
Multnomah County Commissioner Deborah Kafoury, District 1
Multnomah County Health Department

Stakeholders:
Multnomah County Board of Commissioners
Home Forward
City of Portland Housing Bureau
Portland Development Commission
Multnomah County Facilities & Property Management

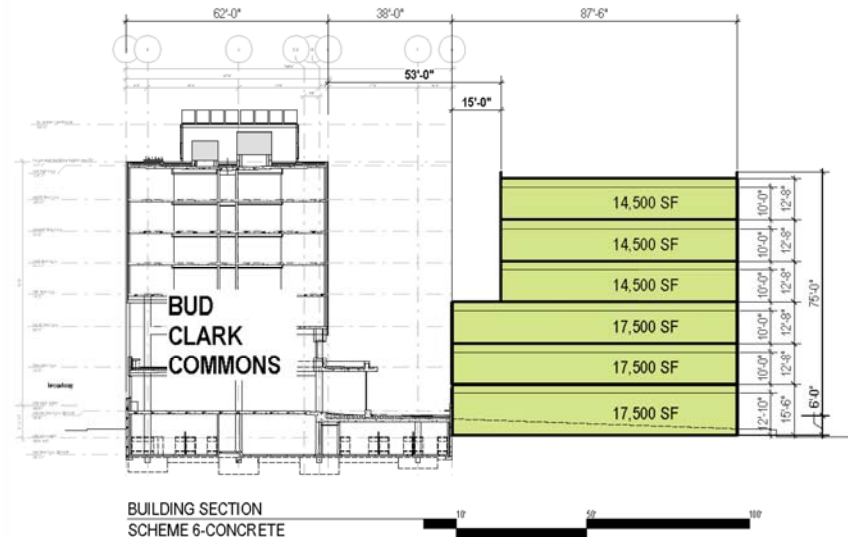


Preliminary Planning Proposal

Project Scope



- 6 Story facility
- 96,000 square feet
- Use to be split between Administration and Clinic
- 250 staff
- 200 daily visits by clients





Community Outreach



- Public Involvement Plan included in proposal
- To date:
 - **One on one meetings** with various community leaders (business/neighborhood associations, property/business owners and area service providers)
 - Meeting with **community groups** (Neighborhood Association, Community Health Council, etc.)
 - Outreach will continue throughout



Preliminary Sources and Uses



Uses

Development Feasibility Costs

Construction	\$24.5 m
Development (including A&E)	1.3 m
General fees	6.1 m
Financing	2.8 m
Reserves/Contingency	.3 m
subtotal	\$35 million

Additional County Expenditures

(relocation, FFE, Telecom, Security,
medical equipment, County initiatives)

subtotal \$5.6 million

Total \$40.6 million

Sources

o **Tax Increment Financing (TIF) set
aside from River District Urban Renewal
Area \$26.9 m**

o **New Market Tax Credits \$ 5.8 m**

o **Additional County Funding
(including disposition of McCoy Building) \$ 7.9 m**

Total \$40.6 million



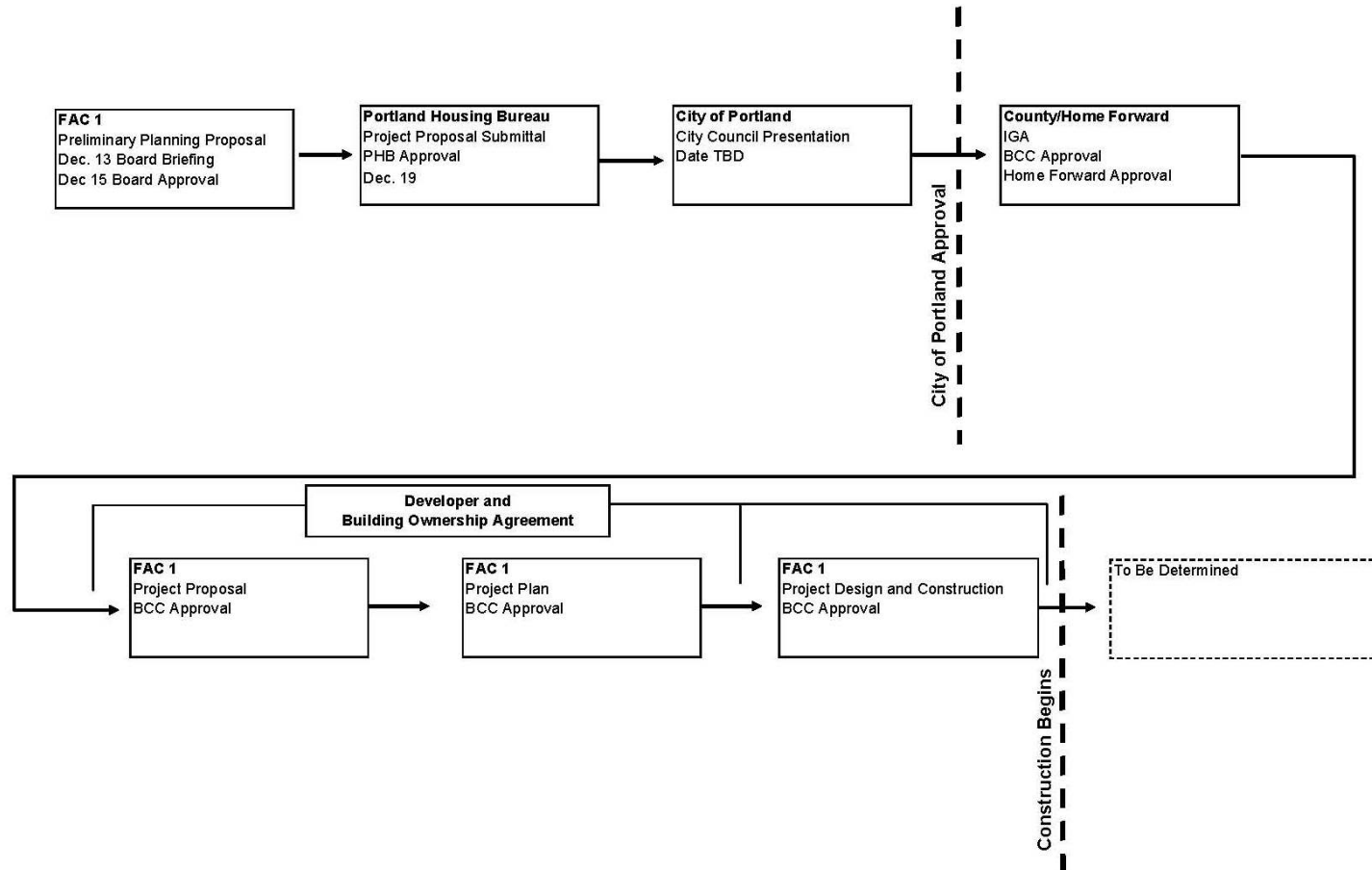
Financing strategies



- New Market Tax Credits
 - Will involve new financial partnership
- Tax Increment Financing
- Additional County Funding
 - Disposition of the McCoy Building



Preliminary Planning Proposal Milestones





Next Steps & Discussion



- December 15 - Board Resolution for approval of the Preliminary Planning Proposal
- Home Forward submits Project Proposal to the Portland Housing Bureau next week
- IGA with Home Forward (BCC Approval)
- Further Project Development