



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

## Board Clerk Use Only

**Meeting Date:** 2/2/17  
**Agenda Item #:** R.2  
**Est. Start Time:** 10:00 am approx.  
**Date Submitted:** 1/19/17

**Agenda Title:** Board Briefing on the status of the project development for the Health Department Headquarters (HDHQ) project.

*Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.*

## Requested

**Meeting Date:** January 31, 2017 **Time Needed:** 40 minutes

**Department:** DCA **Division:** Facilities & Property Management

**Contact(s):** Brett Taute

**Phone:** (503) 988-3284 **Ext.** 83284 **I/O Address:** 274/FPM

## Presenter

**Name(s) & Title(s):** Brett Taute, Facilities & Property Management; Steve Cruzen, Shiels Oblatz Johnsen, Inc.; Carter MacNichol, Shiels Oblatz Johnsen, Inc.

## General Information

### 1. What action are you requesting from the Board?

No action requested. This item is to provide a briefing on the status of project development for the HDHQ project.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

In August of 2010, Multnomah County worked with Home Forward to consider the feasibility of relocating the McCoy Building functions to a new facility on the vacant, easterly portion of Block U at N.W. 6<sup>th</sup> & Hoyt currently owned by the Portland Housing Bureau (PHB).

In December 2011, the Board of County Commissioners approved the FAC-1 Preliminary Planning Proposal in Resolution #2011-141. In May 2012, the County contracted with Home Forward, as the developer for the Project. In November 2012, the Board of County Commissioners approved the acquisition of the land from the Portland Housing Bureau in Resolution #2012-191 and a Portland Development Commission (PDC) Tax Increment Funding contribution in Resolution #2012-192. 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 was selected as

CM/GC to perform pre-construction services.

In April 2014, a FAC-1 Project Plan was approved by the Board of County Commissioners authorizing the completion of design development. Design Development was completed in June 2014. At the time, height restrictions for the Block U property limited development to six floors, which was insufficient to accommodate Health Department programs now located at the McCoy and Lincoln buildings.

In January 2015, Multnomah County and Home Forward mutually agreed to terminate the IGA for Development Services for the Project. 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.

In June 2015, the City of Portland approved a Zoning Map Amendment that increased the development capacity of the site.

In November 2015, the Board of County Commissioners approved the FAC-1 Amended Project Plan and authorized the Schematic and Design Development Phases of the Project in Resolution #2015-118.

In February 2016, the Board of County Commissioners approved Resolution #2016-011 to retain the name of the Multnomah County Health Department Headquarters in Honor of Gladys McCoy.

In July 2016, the Board of County Commissioners approved the FAC-1 Project Design and Construction Plan and authorized the development of the Construction Documents for the Project in Resolution #2016-070.

In November 2016, the Board of County Commissioners approved the FAC-1 Design and Construction Early Work Package and authorized Early Work Construction and Procurements in Resolution #2016-115.

The HDHQ project team will provide periodic briefings to the Board of County Commissioners on the status of the project development.

### **3. Explain the fiscal impact (current year and ongoing).**

The conceptual project budget for the HDHQ project is \$85M - \$95M.

Per the Chief Financial Officer's Financing Strategy: The project will be partially funded with approximately \$36.4 million in tax increment financing (TIF) funds from the River District Urban Renewal Area, as provided in an Intergovernmental Agreement (Grant IGA) between the County and the Portland Development Commission (PDC). It is assumed that the balance of the project will be financed primarily with County-issued long-term debt. Prior, and any future, General Fund cash contributions will limit the amount of long-term debt needed.

### **4. Explain any legal and/or policy issues involved.**

Under the Disposition Agreement with the Portland Housing Bureau (PHB), the County is required to complete building design and City of Portland permitting (including PHB approval of the exterior design) prior to acquiring the eastern portion of Block U. In addition, the County is obligated to obtain all PHB and City of Portland approvals and show funding capacity for the Project prior to accessing final TIF funds under the Grant IGA.

**5. Explain any citizen and/or other government participation that has or will take place.**

The County has actively engaged with the Old Town/Chinatown Neighborhood Association, Bud Clark Commons, Transition Projects, Inc., Pacific Northwest College of Art, City of Portland, PHB, PDC, along with other key community stakeholders throughout all phases of this project and remains committed to this process for all future phases of the HDHQ development.

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**Required Signature**

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**Elected**

**Official or**

**Department**

**Director:**

/s/ Sherry Swackhamer, Director,  
Department of County Assets

**Date:**

January 19, 2017

*Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.*