



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 11/3/15
Agenda Item #: B.2
Est. Start Time: 10:45 am approx.
Date Submitted: 10/28/15

Agenda Title: Briefing on FAC-1 Amended Project Plan for the Health Department Headquarters (HDHQ) project.

Requested Meeting Date: November 3, 2015 **Time Needed:** 60 minutes
Department: DCA **Division:** Facilities
Contact(s): Cliff Serres and Brett Taute
Phone: (503) 988-3284 **Ext.** 83284 **I/O Address:** 274/FPM
Presenter Name(s) & Title(s): Joanne Fuller, Health Department Director; Mark Campbell, Chief Financial Officer; Doug Obletz, Shiels Obletz Johnsen; Steve Cruzen, Shiels Obletz Johnsen; Brett Taute, Facilities & Property Management

General Information

1. What action are you requesting from the Board?

No action requested. This item is to provide a briefing on the FAC-1 Amended Project Plan for the Health Department Headquarters (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. 6th & 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 this 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 resolution 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 at the McCoy and Lincoln buildings.

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

The County recognized additional resources and expertise were needed for the delivery of this project and issued a formal solicitation for owner's representative services. In April 2015, Shiels Oblatz Johnsen (SOJ) was selected through this competitive process to provide owner's representative and project management services.

The County's Project Management Team, with SOJ as owner's representative, initiated an effort to confirm and re-evaluate the HDHQ building program and prepare an Amended Project Plan incorporating Health Department program growth and increase in site capacity.

The scope, costs and schedule of this project is outlined in the Amended Project Plan.

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 make use of approximately \$36.4 million in tax increment financing (TIF) funds due to its location in the River District urban renewal area. It is assumed that the balance of the project will be financed primarily with long-term debt. Prior, and any future, General Fund cash contribution will limit the amount of long-term debt needed.

The next phase of the project, Schematic Design and Design Development, is estimated to cost \$3.2M. These activities will occur in FY16.

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

Under the Disposition Agreement with PHB, the County is required to complete building design and City of Portland permitting (including PHB approval) 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 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, Transitions Projects, Inc, PNCA, 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 this development.

Required Signature

Elected

Official or

Department

Director:

Bob Leek, Deputy CIO /s/
for Sherry Swackhamer, DCA
Director

Date:

10/28/2015

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