

**PORTLAND CITY COUNCIL AGENDA
 City Hall - 1221 SW Fourth Avenue
WEDNESDAY, 9:30 AM, JULY 11, 2018**

**DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS
 EMERGENCY ITEMS WILL NOT BE CONSIDERED
 AND ITEMS WILL NOT BE HEARD UNDER A CONSENT AGENDA**

Disposition:

730 **TIME CERTAIN: 10:15 AM** – Authorize a Development Agreement with Portland State University, Oregon Health Sciences University and Portland Community College for the development and creation of a new commercial multi-level condominium building, known as the Jasmine Block at 401 SW Harrison St (Ordinance introduced by Mayor Wheeler) 15 minutes requested

See below.

REGULAR AGENDA

Mayor Ted Wheeler

Office of Management and Finance

732 Accept bid of Wildish Standard Paving Co. for the NE Halsey - Weidler Streetscape Project for \$4,296,641 (Procurement Report – Bid No. 0000915)

Total project cost is \$5.5 million. The Portland Bureau of Transportation (PBOT) has budgeted \$5.0 million in FY 2018-19 for this project. Despite the bid coming in 9.3% higher than original estimates, PBOT has sufficient budget to cover the costs. This project is funded by Prosper Portland, PBOT System Development Charges (SDC), and Fixing our Street funds.

<p>733 Accept Guaranteed Maximum Price of \$2,532,012 from Stacy and Witbeck, Inc. of Oregon for construction related to the Portland Open Space Sequence Restoration Project (Procurement Report – RFP No. 0000617) 15 minutes requested</p>	<p>This project is budgeted within the Parks Capital Improvement Program Fund and will be funded with \$1.6 million in General Fund resources and \$2.15 million in voluntary local improvement district resources.</p>
<p>Commissioner Nick Fish Bureau of Environmental Services</p>	
<p>734 Authorize a contract with Brown and Caldwell, Inc. for professional engineering services for the Asset Management Program for Continuous Collections System Planning Project for a total not-to-exceed amount of \$1,249,498 (Ordinance) 10 minutes requested</p>	<p>The total not-to-exceed contract cost is \$1,249,498. Funding for services are included in the bureau's FY 2018-19 budget and included in their five-year financial plan.</p>
<p>735 Authorize a contract with CH2M Hill Engineers, Inc. to provide design, permitting and construction support engineering services for the Columbia Blvd Wastewater Treatment Plant Secondary Treatment Expansion Program Project No. E07947 in the amount of \$28,300,000 (Second Reading Agenda 718)</p>	<p>Ordinance authorizes a \$28.3 million contract to provide design, permitting, and construction support engineering services at the Columbia Blvd Wastewater Treatment Plant (CBWTP). The total project cost for this multi-year secondary treatment expansion project is \$145.6 million. \$4 million is budgeted in the FY 2018-19 Adopted Budget; \$114.4 million is budgeted in the bureau's FY 2018-19 Five Year CIP. The project includes the addition of two new clarifiers and a number of other projects at CBWTP. The secondary treatment facility portion of the project is under a compliance schedule with DEQ for a completion date of 12/30/2024. BES will act as Program Manager with a Construction Manager-</p>

	<p>General Contractor delivery approach with assistance from an owner's agent.</p>
<p>736 Authorize a contract with Stantec Consulting Services, Inc. to provide Program Management, Project Controls and Construction Management Support Services for the Columbia Blvd Wastewater Treatment Plant Secondary Treatment Expansion and Tryon Creek Wastewater Treatment Plant Improvements Programs Project Nos. E07947 and E10970 in the amount of \$21,800,000 (Second Reading Agenda 719)</p>	<p>Ordinance authorizes a \$21.8 million contract to provide program management, project controls and construction management services for the secondary treatment expansion at CBWTP and plant improvements at the Tryon Creek Wastewater Treatment Plant. The total project cost for this multi-year project is approximately \$203.65 million; the total includes both the cost of the secondary expansion and improvements at CBWTP (\$114.4 million) and improvements at Tryon Creek (\$58 million). For the Tryon Creek related costs, \$5 million is budgeted in the FY 2018-19 Adopted Budget; \$43.9 million is budgeted in the bureau's FY 2018-19 Five Year CIP. For the Columbia Blvd portion of the costs, \$4 million is budgeted in the FY 2018-19 Adopted Budget; \$114.4 million is budgeted in the bureau's FY 2018-19 Five Year CIP. CBO notes that Lake Oswego is exploring alternative treatment options that could impact the Tryon Creek plant improvements if the project moves forward.</p>
<p>Water Bureau</p>	

<p>737 Authorize a competitive solicitation for utility bill presentment at an estimated cost of \$7,500,000 (Ordinance) 10 minutes requested</p>	<p>The estimated five-year cost of the contract is \$7,500,000, and estimated FY 2018-19 cost are included in the bureau's budget. Additional funding will be requested in the FY 2019-20 through FY 2022-23 budget processes.</p>
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<p align="center"><u>2:00 PM WEDNESDAY/THURSDAY JULY 11-12, 2018</u></p> <p align="center">DUE TO LACK OF AGENDA THERE WILL BE NO WEDNESDAY OR THURSDAY 2:00 PM MEETINGS</p>	
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730 TIME CERTAIN: 10:15 AM – Authorize a Development Agreement with Portland State University, Oregon Health Sciences University and Portland Community College for the development and creation of a new commercial multi-level condominium building, known as the Jasmine Block at 401 SW Harrison St.

This ordinance authorizes the CAO to execute a development agreement with PSU, PCC, and OHSU for the development of a new commercial condominium building at 4th and Montgomery (Jasmine Block).

The City will own approximately 30,000 square feet of office space in the new building. The total cost to the City for this space is estimated at \$22.3 million. Payments to PSU for construction are estimated at \$15.6 million, while OMF has estimated that tenant improvements, furniture, and project management costs will total \$5 million. Base tenant improvements are included in the cost of the payments to PSU, per the development agreement. The total cost to the City for this space is approximately \$686 per square foot, exclusive of interim financing costs. The land at 4th and Montgomery, conveyed in 2018 to PSU by Prosper Portland, was not considered part of the City’s contribution to the project during development agreement negotiations.

Ordinance 188401 previously authorized issuance of revenue bonds not to exceed \$20 million (plus related costs) to fund the project. Payments are due to PSU, per the development agreement, as follows: \$1 million upon signing of the development agreement, \$1 million in August 2018, and \$13.6 million in January 2019. OMF intends to issue \$20 million in bonds in FY 2018-19; these debt proceeds have been included in the FY 2018-19 Adopted Budget.

The City’s tenant in the new office space is still being determined. Pursuant to Resolution 37274, OMF is performing a Citywide study to evaluate tenancies in the downtown core (the Portland Building, 1900 Building, and the Jasmine Block) at an estimated cost of \$50,000. Per the FY 2018-19 Adopted Budget, the Facilities Services Operating Fund will temporarily cover the cash financing and cash contribution components of project financing (estimated at \$2.6 million) until the tenancy evaluation is complete and reimbursement can be requested from the appropriate tenant fund.

The ongoing costs related to this project are estimated at \$2 million, which includes \$1.45 million in annual debt service for 18 years and \$600,000 in annual operations and maintenance. Per OMF, the operations and maintenance costs also include a major maintenance component. The repayment of the revenue-backed bonds, beginning in FY 2020-21 after two years of interest only payments, will be funded by an increase to the blended downtown core office space rates. Per OMF, of the \$2 million in increased annual costs, the estimated impact to General Fund bureaus is \$714,000, with the remainder of the increase borne by non-General Fund bureaus. Contrary to the fiscal impact statement submitted in the filed documents, no adjustment has been made to increase General Fund current appropriation levels (CAL) for the increased rental rates. Absent any Council action, bureaus will absorb the increased rental rates within existing resources. OMF plans to bring forward an action in the FY 2018-19 Fall BMP to request appropriation increases for General Fund bureaus.

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The development agreement makes note of the fact that the current zoning of the project site does not allow for commercial office use, but the Central City 2035 Plan proposes to change the zoning of the property from Central Residential to Central Commercial. Per the development agreement, "if, at the time the Project opens for business, the zoning has not been changed to allow for commercial office use, PSU and the City will work together in good faith to reach agreement regarding the occupancy and ownership of the City Unit, which may include exchange of equivalent value of PSU owned or PSU acquired real property for the City Unit."