

The Oregonian

Portland Building estimates up \$17 million with longer timeline

*By Brad Schmidt
July 17, 2015*

Two years longer and as much as \$17 million more.

That's the latest outlook for renovating the city of Portland's administrative headquarters.

City officials have backed off an aggressive timeline to remodel The Portland Building by 2018 and, as a result of inflation, are now looking at a growing tab of up to \$192 million.

Fred Miller, Portland's chief administrative officer, said Thursday he's not disappointed about pushing back the schedule. "We can't move that fast," he said.

The revised estimates and timeline mark the latest zig in a process full of zags over the past two years, with rising costs tied to an expanded scope of work for what would be the city's most expensive office project ever.

Concerned about the perception of favoritism, officials are pushing back the schedule in part to competitively bid services for outside consulting instead of quintupling an existing multi-million-dollar engineering contract.

What will ultimately happen to The Portland Building remains an open question as the City Council has yet to take a formal position on the future its distinctive post-modern structure, home to about 1,300 employees.

An advisory committee reconvened in June to review options and the City Council is slated to weigh in during an Aug. 25 work session. Miller remains confident that city leaders support a full renovation over other options, including cheaper fixes to the building or trying to sell it and move elsewhere.

Cost estimates remain conceptual and could be impacted not only by design choices but also numerous policy decisions, including green-building and minority-contracting goals.

"The council has lots of decisions to make," Miller said.

The Portland Building is in line for a major renovation because city officials spent decades ignoring seismic deficiencies and putting off exterior repairs. Built cheaply in 1982 for \$25 million, the 15-story building suffers from extensive water damage and officials didn't move forward with seismic upgrades in the 1990s.

In late 2013, city officials recommended a \$95.4 million project to fix the water problems and upgrade the building's earthquake capacity. Officials later considered relocation options before promoting in April an estimated \$175 million overhaul that includes gutting the building's interior and replacing most mechanical, electrical and plumbing systems.

Under that plan, Miller hoped to finalize costs by June 2016, begin construction by August 2016 and complete the project by 2018 or 2019.

Now, Miller and officials in the Office of Management & Finance are looking to lock in a price by the middle of 2017, start construction in April 2018 and complete the project by the end of 2020.

Assuming annual inflation of 4 percent to 6 percent, costs would increase an estimated \$11 million to \$17 million, according to documents released to The Oregonian/OregonLive on Thursday in response to a public records request.

The delay will, in part, give Portland time to find a new consultant.

Officials originally hired FFA Architecture and Interiors in 2012 to study the seismic and water issues under a \$2 million contract. Amending the contract to cover design and internal configurations is estimated to run an additional \$8.5 million to \$11.1 million.

An amendment would preclude outside experts from bidding, eliminate competitive pricing and make the city "vulnerable for negative press and criticism, given the large increase in the contract amount," according to city documents from June outlining risks and opportunities.

Miller now wants to bid out an architectural and engineering contract covering all aspects of the building. He expects to move forward by the end of the year.

"This is a big project," he said, "and you can't just extend a contract."

Officials also recognize the importance of getting good advice.

"Failure of large projects can be traced back to decisions made early in the project," according to a June 23 city memo on the project. "It is imperative that we have the best team in place that can foresee risks and help prevent errors in fundamental decisions."

Given the schedule change, members of the city's advisory committee suggested that Portland renew conversations about the possibility of a joint project with Multnomah County, which plans to build a new courthouse.

The committee – made up mostly of developers – also suggested that Portland reconsider whether all employees must simultaneously leave the building during renovations. Rental space and relocation costs are estimated at about \$28 million of the overall price tag.

Finding a home for city workers during the two-year construction window presents a challenge. Office vacancy in the central city is hovering around 7 percent, according to the brokerage Jones Lang LaSalle. That's not expected to rise dramatically by 2018, even though several new office buildings are under construction.

The challenge of the tight market is even more pronounced for the largest users looking for contiguous blocks of 50,000 or more square feet. The city would need to scrounge up more than 300,000 square feet. And given the short lease, the city could expect to foot most of the cost of outfitting its temporary quarters.

Beyond moving challenges, leaders still need to wrestle with how to pay for renovating The Portland Building. That'll be one of many policy issues broached at next month's City Council work session.

Under the \$175 million scenario, project costs were estimated at \$433.26 per square foot. That translated into estimated rental rates of \$39.82 to \$48.77 per square foot, far above the going rate for top-tier downtown office space – and well in excess of what city bureaus pay for existing space in The Portland Building or other facilities.

One option now being considered: force all city bureaus – excluding police, fire, water and sewer – to chip in, whether they're in The Portland Building or not.

Under such a scenario, officials would add up all of the city's downtown office space and determine costs, then allocate them to bureaus based on square footage.

That would mean the Bureau of Development Services – which paid \$30.59 a square foot last year for its city-owned office outside The Portland Building – would have to pony up more to cover renovation costs. Same for the Portland Housing Bureau, which paid \$24.12 under a private lease.

The so-called "rate equalization" would force bureau leaders – and the politicians in charge of bureaus – to think holistically about the city's needs rather than focus on short-term individual budgets.

"We're convinced that owning our own space and putting people into our own space is the cheapest in the long run," said Ken Rust, Portland's chief financial officer.

The Portland Tribune

Forest Park to get official entrance, nature center

*By Jennifer Anderson
July 17, 2015*

Nature lovers in the city will appreciate the latest surprise from the Oregon Legislature: A gift of \$1.5 million to fund an official entrance, nature center, ADA-accessible trail and parking lot to Forest Park.

"Forest Park is a world-class urban treasure," says State Rep. Mitch Greenlick, D-Portland, who led the effort. "The city has been a great steward of the Park for 100 years. This project is the centerpiece of the dream for the next 100 years, keeping the park alive and accessible."

The new entrance to the 5,200-acre park was first proposed in the 1995 Forest Park Natural Resource Management Plan.

City leaders expect the project to be shovel-ready within two years. It will be located off Highway 30 and Northwest Kittridge on a former industrial brownfield adjacent to Forest Park.

Portland Parks & Recreation finished acquiring the property in 2014.

With help from Metro's voter-approved Parks and Nature program and parks bureau System Development Charges, the site has been cleaned up and has approval from the state Department of Environmental Quality to proceed.

This legislative investment kicks off the next phases of the project, including site planning and design.

The new nature center will have a parking lot big enough for school buses, with hopes to increase field trips for local school children.

The site will also have an ADA-accessible trail with a viewing platform to allow for views of the Willamette River, St. Johns and beyond.

The project is also supported by other public and private donors, including \$800,000 in Portland Parks System Development Charges.

SDCs are one-time fees assessed on new development to cover a portion of the cost of providing specific types of public infrastructure required as a result of the new development.

Amanda Fritz, city Parks commissioner, says she's grateful for Greenlick's support for the project.

"We warmly welcome the state funding for this much-anticipated project," says "This proves clearly that our state leaders share our vision, that Forest Park should be more accessible to people of all ages; and one that deserves a nature center, where people from around the globe can learn more about the largest forested urban park in the U.S."

Parks Director Mike Abbaté says the improvements will go a long way toward increasing accessibility of the park — which is also a wildlife corridor and known as the largest forested city park in the lower 48.

"Forest Park is one of the most undiscovered gems in Portland's entire parks system," Abbaté says. "This project will help Forest Park to be more discoverable for all Portlanders. We are building the parks system for the next generation of environmental stewards."

Will free activities keep gun violence at bay?

*By Jennifer Anderson
July 17, 2015*

The city is spending \$2 million to provide free recreational activities for kids this summer, in light of recent youth gang violence.

The city launched a pilot program last month to provide fun, safe activities at no cost to youth at the Matt Dishman Community Center in Northeast Portland.

The effort brought more than 1,800 kids who signed up.

Now Mayor Charlie Hales is moving the program to East Portland, where admission to scheduled activities (except swimming) will be free for youth age 3-17 between July 20 and Sept. 9.

The East Portland Community Center is at 740 S.E. 106th Ave.

Kids are asked to register in person with their parents or guardians, to obtain a pass. Young children may not be dropped off.

"This program is about more than sports, or kids being bored during the summer; it's about furthering the city's and Parks' shared mission of equity and providing access to recreation," says Portland Parks & Recreation Commissioner Amanda Fritz. "I thank the mayor for his continued efforts towards enhancing young lives and reducing violence, and PP&R staff for their dedication in expanding this valuable program."

Drop-in admission to the East Portland Community Center is normally \$3.75 for youth; \$4.25 for teens. Programs include basketball, volleyball, a fitness center for age 14 and up and an indoor park for 5 and under.

"In 2002, when I was Parks commissioner, I ran the campaign to fund, and then open, the East Portland Community Center," Mayor Charlie Hales says. "My dad was there with me that day. And with this expansion, more dads and sons, moms and daughters and siblings will get to make the center a part of their lives as well."

Hales says the program will be rolled out at other community centers this summer, and he plans to ask other agencies including the county, school districts and local universities to step in with support.

"We have to get upstream in the lives of our kids," Hales says. "That means letting them pick up a soccer ball or a paint brush, a pen or a guitar, a job skill or a résumé. The more of these safe, positive activities we can provide for them, the better."

Hales is also reaching out to private businesses, including local sports apparel companies as well as the Blazers, Timbers and Thorns.

"This is an all-hands-on-deck issue," he says. "This isn't a city-government proposal, it's a proposal for everyone."

The East Portland Community Center is open 6 a.m.-9:30 p.m. weekdays; 7 a.m.-6 p.m. Saturdays; and 8 a.m.-6 p.m. Sundays.

The East Portland pool, currently at capacity, is not included in the free program.

For more: portlandoregon.gov/parks/60370.

Daily Journal of Commerce

Council OKs purchase of ODOT lot in southeast

*By Beverly Corbell
July 16, 2015*

The Portland City Council has given the go ahead for the city to spend \$254,044 to buy a 9,000-square-foot plot of land on the city's southeast side that could become a new home for the Right 2 Dream Too homeless camp.

The city has been trying for years to find an alternate location for the camp, currently located at the corner of Northwest Burnside Street and Fourth Avenue.

During the council meeting, both Mayor Charlie Hales and Commissioner Amanda Fritz cautioned people testifying to keep comments on the sale, not on relocating the homeless camp, advice which most people ignored.

Hales said the Oregon Department of Transportation has five pieces of property for sale in Southeast Portland and he intends for the city to buy them all, starting with the 9,000-square-foot parcel.

"The city will continue to discuss whether to grant a lease to Right 2 Dream Too into this site," he said. "But that is a separate decision from the decision to buy the land."

Fritz also pointed out that the sale of the land is contingent upon a satisfactory environmental inspection.

Robert Kieta, the city's facilities services division manager, said the inspection will be complete in about two weeks.

"Preliminary findings do not indicate any significant environmental issues with developing the site based on industrial zoning requirements," he said. "There are multiple uses we could look at being used for, including R2DToo, parking and other site developments."

But several people objected to the city buying the 9,000-square-foot parcel of land without deciding first what it will be used for.

Debbie Kitchin, president of the Central East Side Industrial Council, said her group is opposed to the purchase.

"We think it is premature and not responsible when you haven't determined a use for it," she said, addressing commissioners. "This is an industrial sanctuary, a vital employment district, and we feel you haven't been very open about your decision-making."

Nancy Stueber, president of Oregon Museum of Science and Industry, also expressed reservations and asked to council to have discussions about the use prior to a purchase.

Trillium Shannon, a co-founder and board member of Right 2 Dream Too, said she supports the city's purchase of the land, but added that her board will have to decide if moving there is the right thing for the camp.

Shannon said the camp can remain where it is if it needs to and that it's been successfully run for almost four years. She said the group has been meeting with the city and other stakeholders and would like to meet with the industrial council as well.

"It's difficult to come to a hearing and hear people who do support R2DToo but don't ask our input, and people who don't support it because of homeless phobia," she said.

One of those opposed to the purchase of the land was Don Gardner, vice president of Southeast Uplift, a neighborhood coalition group, but he didn't mention the homeless camp.

"We are concerned that if the city buys up all these state properties, we would like to see a plan for what to do with them," he said. "I worked for the city for a number of years and this is the first time I've heard of it going to buy a piece of property without having a plan for its use."

The resolution to allow purchase of the 9,000-square-foot parcel passed unanimously without Hales, who left the meeting early.

As she made her closing remarks before her vote, Fritz again stressed that a satisfactory environmental assessment of the land must come first.

"If that happens, once the site is purchased I would work with the mayor and Right 2 Dream Too and the community on a good neighbor agreement," she said. "And if Right 2 Dream Too decides that is a viable site for them to move on, then later in the summer I would probably come to the council with a proposed use and have a public hearing on that."