8-12-1981

Project design and construction documents

Portland (Or.). City Council

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DUNGAN Okay, I just wanted to clarify that. Thanks.

JORDAN Yea, in order to have it you need to have citizens mobilized, though.

IVANCIE Any further discussion? Call the roll.

The ordinance was then declared passed by the following vote: Yeas, Commissioners Jordan, Schwab, Strachan and Mayor Ivancie, 4.

2629 Ordinance No. 152088, entitled "An Ordinance authorizing a contract with the Southwest Neighborhood Information, Inc., for the operation of the Southwest Portland Neighborhood Crime Prevention Program for the period of August 1, 1981 through June 30, 1982, providing for funding at a cost of $8,213 from the General Fund, Office of Neighborhood Associations, and authorizing the drawing and delivery of warrants, and declaring an emergency," was introduced by Commissioner Jordan and read.

IVANCIE Any discussion? Call the roll.

The ordinance was then declared passed by the following vote: Yeas, Commissioners Jordan, Schwab, Strachan and Mayor Ivancie, 4.

2630 Ordinance No. 152089, entitled "An Ordinance authorizing a contract with Neighborhoods West/Northwest, Burnside Community Council and Downtown Community Association for the operation of the West/Northwest Neighborhood Crime Prevention Program for the period of August 1, 1981 through June 30, 1982, providing for funding at a cost of $15,915 from the General Fund, Office of Neighborhood Associations and authorizing the drawing and delivery of warrants, and declaring an emergency," was introduced by Commissioner Jordan and read.

IVANCIE Any discussion? Call the roll.

The ordinance was then declared passed by the following vote: Yeas, Commissioners Jordan, Schwab, Strachan and Mayor Ivancie, 4.

2631 Ordinance No. 152090, entitled "An Ordinance authorizing a contract with the Southeast Uplift Advisory Board, Inc., for the operation of the Southeast Portland Crime Prevention Program for the period of August 1, 1981 through June 30, 1982, providing for funding at a cost of $32,480 from the General Fund, Office of Neighborhood Associations, and authorizing the drawing and delivery of warrants, and declaring an emergency," was introduced by Commissioner Jordan and read.

IVANCIE Any discussion? Call the roll.

The ordinance was then declared passed by the following vote: Yeas, Commissioners Jordan, Schwab, Strachan and Mayor Ivancie, 4.

2632 Ordinance No. 152091, entitled "An Ordinance authorizing a contract with the North Portland Citizens Committee, Inc., for the operation of the North Portland Neighborhood Crime Prevention Program for the period of August 1, 1981 through June 30, 1982, providing for funding at a cost of $16,115 from the General Fund, Office of Neighborhood Associations, and authorizing the drawing and delivery of warrants, and declaring an emergency," was introduced by Commissioner Jordan and read.

IVANCIE I want 2644 read first. That will be a better order.

2644 Resolution No. 32982, entitled "Resolution authorizing the completion of project design and construction documents for the Pioneer Square Project," was introduced by Mayor Ivancie and read.

2643 Resolution No. 32983, entitled "Resolution authorizing
Mr. Mayor and Members of Council, I am Pat LaCrosse, Director of the Portland Development Commission. The first resolution, 2544, directs us to proceed immediately with the project design and to begin construction at the earliest possible date on the Pioneer Square. This resolution follows up a memo that I sent to Council at the end of July that summarized the status of the Pioneer Square project.

At the time that Council approved a resolution in January they had directed us to proceed with the design contract, to work with the broader element in the community to look at design, to try to find other methods of raising funds, including Tri-Met and other agencies, and to complete the first segment of the design in the Will Martin contract within a four-month period of time.

We have completed most of the elements that were contained in that resolution. We entered the design contract with Will Martin and that first phase is complete. The complete coat estimates have been updated. We are currently talking about the ability to build a basic square at $3,350,000 which does coincide with the basic estimates that I had presented last January to Council. That is the overall square itself. The basic square itself would be $2,550,000. We have resources now available that come within $200,000 of being able to construct the basic square. Those resources include the same tax increment funds that we have since been able to secure a commitment from Tri-Met for $200,000 and the Friends of Pioneer Square have provided documentation that they have a minimum at this point in time of $100,000 of funds that have been contributed.

We propose to complete the design process using a basic bid and alternates method that would allow us to make the decision at the end of the design process in December to either build the basic square at $2,550,000 or with the selection of alternates to go on up and build the full square itself at $3,350,000. Separately, the sidewalk issue is covered by a commitment of $210,000 of Tri-Met funds, again, and another $165,000 of funds that is remaining from set aside money for sidewalk improvements, a total of $360,000 that has been set aside for sidewalk. If that money is then used to complete the sidewalks, that still leaves us the $200,000 item for contingency, or short fall, in the project.

The management issues of the square which have been addressed by a management committee appointed by the commission, which has been meeting over the last several months, is handled in the other resolution and Mr. Roger Shiel and some of our other staff members are here at the time we want to go into some of the detail on it.

So, what we are proposing at this point, given the status of the project, is concurrence of Council in proceeding with the design contract.
with Will Martin and completing that design
in the next five months.

Mr. Mayor, I think we almost have to discuss
these two together, and the question I would
like to, there are two things that basically
concern me. One is this is the first I had
heard that we were going to have not only the
restaurant and not only the space leased to
Tri-Met but the additional 5,000 feet of rental
space. Now, will your contract cover
questions. Number one will your contract cover
and give us, the Council, the authority to determine
what goes in there, and what happens if HCRS
says if you build those or any of those the
million and a half comes back.

I would like to have Roger Shlels come up and
address a couple of these questions.

I am sure you know the answers.

It is true that this is the first time that the
question of the possible use -- and I stress
the possible use of the ground floor space
for commercial purposes come up. This is something
that was discussed earlier and discussed by
the Management & Maintenance Committee, which
we appointed as a method to raise additional
income to provide for a much stronger programming
and maintenance effort in the square itself.

My concern there is it is new, and it is new to all
the people that were going to do this. This
why I wouldn't sign off on your letter. That was
my basic reason. I think they have a right to
know that, and now who is going to determine
what the use of that rental space is going to be
the City Council, PDC, or the committee that you
appoint? Maybe someone else is going to have to
address that.

I think he had better read both.

He did. He read them both.

Did he read them both? Okay, so we can talk
about both. Because one, I think, depends on
the other.

I think to vote for one you are going to vote
for two, and if you vote for --

There is no question, Commissioner, that we are
clear that the use of that other 5,000 square
feet for commercial, and we have also talked about
the potential of using that in the event that we
are unable to secure HCRS approval, that there
is potential for using that for other public
agency leasing, also, in order to generate
income.

Well, now, wait a minute. If HCRS says no, is
it your intention to go ahead and find us having
to pay back that million and a half?

We are not proposing in the square contract
itself right now to go ahead and finish off
that space. The financing of the finishing off
of that space would have to be done separately.
Wait a minute. When we start in and we are going to propose to lease space out, HCRS may say not give us back the million and a half but the issue we faced last year when we voted for this and there were questions about doing that, was that HCRS said if we did this it is not a case of returning the million and a half, but it is a case of giving them back a block of similar property, which we don't have.

Commissioner, we don't intend to go ahead with this without checking with HCRS first. In the event they said no, we would not be able to do this. Our next step would be to talk to the HCRS people in Seattle, but we need direction from Council before we do that.

Well, so in voting for this we are not saying then go ahead because it seems to me as if indeed we are saying go ahead.

I would like to make a comment on that. I think as Pat indicated there is no way this city can move ahead with any type of commercial development on this park without approval from HCRS, plus they have to get approval from this Council. We have to approve the design, and if the design includes a restaurant or any type of commercial development--

It does, though. The one they have before us now includes a restaurant plus space for Tri-Met plus 5,000 square feet of retail space. And if we have no control, Charles, over what goes in there--

We have to approve it today. Today we have to decide whether or not we are going to go ahead with that design. This is only the small hurdle, here. The major hurdle, of course, is getting approval from the National Parks Service, since HCRS is out of business.

I might point out, Commissioner, that in the resolution itself there is under Further Resolved, there is the direction--

Which one, 2643 or 44?

43. It says under the final paragraph under Further Resolved, Sentence two, to negotiate with HCRS for acceptable restrictions on leasing space on the upper and lower level of the square, consistent with full HCRS funding under the HCRS grant. That is contained in the resolution.

And then there is a semicolon, to complete its negotiations for an agreement with Tri-Met for renting lower level space and paying for the construction of the Yamhill/Morrison sidewalks.

Have they already approved our leasing to Tri-Met of the space?

I would like Roger Shielis to answer that, if I could.

The answer is yes or no.

Roger is the one who has been dealing with Tri-Met on that.
SCHWAB: Not Tri-Met. I'm talking about the federal government. Have they approved our leasing to Tri-Met?

SHIELS: We have not been to the HCRS yet, Commissioner. Basically, as Pat said, it has been awaiting Council action on this ordinance and I think that we have to here as a community agree on what we are after before we go there, so we purposely have not gone to HCRS. I believe that the resolution states it in the proper order. We have been meeting with Tri-Met. They have indicated that they are willing to pay for their share of the sidewalk, willing and able, and that they are very interested in leasing space on the square as was in the original design and have budgeted tentative $200,000 to the square for that, plus an additional $300,000 for improvements to their own space. So, those are very, I think, good potentials. Those were both in the original HCRS grant application and our hope is that they will be approved. If they aren't, then obviously we are back here again.

Then don't you think maybe the final resolve should have said, "Further Resolved that subject to approval by HCRS, that the funding will not be jeopardized, the Portland Development Commission is authorized?" I would make that as a motion.

SHIELS: Second.

I have no objection to that language at all. And it would say further Resolved that subject to approval by HCRS, that the funding will not be jeopardized. That answers one question, if we can vote on that one now.

The motion being put carried unanimously, and the resolution, C.C. 2643, was so amended.

JORDAN: One major note I just make that National Park Service. They have changed it.

SCHWAB: All right, whatever the proper terminology is in there.

Now, my second one is, if the Council approves this and we are going to have, what is it now, 3,000 feet of restaurant according to your plan, 5,000 feet of other retail space and how many feet for Tri-Met?

LA CROSSE: Two thousand.

SCHWAB: So, we are going to have basically, we know, 3,000 for a restaurant. Is that correct? What figures are in there now for retail space?

SHIELS: The enclosed restaurant area is about 750 square feet. There is an additional, I believe it is 2500 square feet of covered area. So, it is in the area of 3,000, yes.

SCHWAB: 3250 for the restaurant, all right. And how much for other retail?
Roughly.

And how much for other retail?

We have Tri-Met scheduled for 2,000 feet and I think we, in terms of this 5,000 feet, clearly that is not set up for leasing at this point. It is available for that.

But there is 5,000 more feet you intend to rent.

There's a total of 7,000 on the lower level.

5,000 plus Tri-Met. Now, does the Council, you or the citizens committee get to determine who the tenants will be, because that is going to make a very major difference? Could we arrange that so the Council has to approve it?

The Council can arrange whatever the Council wishes, clearly.

Well, that is what I want to see because we are authorizing you to do a contract and I want to change that so that the Council has the say.

I think it will have to come back to Council because National Park Service is going to demand to know what type of service is going in there. So, that has to be a part of the proposal we submit to them. But, I don't think there will be any problem with that.

But I want the Council, really, to have that authorization.

I don't see any problem with that coming back to Council.

All right. Because you are going to be drawing up a contract.

We have talked to Chris Thomas of this somewhat and it is my recollection he said that lease space has to come back to Council anyway.

Well, I would like that as a condition. Now, my next concern is that you are setting up here a non-profit corporation. Who approves their budget each year? The Council, or PDO?

The Council.

The Council, under the resolution.

Approves their budget.

Yes.

All right. Now then, you are allowing them to spend money on maintenance with the understanding that the Council is going to pay half, so all the budgets and all the expenditures then have to be approved by Council? Because otherwise, we are writing a blank check.

That was the intent.

Yes, that budget has to be approved by Council so we have a chance to look at their expenditures as well.
But what I am concerned about is PDC always has, if you will pardon the expression, a slush fund, and I don't want PDC authorizing the slush fund because then it comes out of General Fund.

PDC is out of this at that point.

This would be a separate budget that would be a part of the city process and not part of the PDC budget.

Thank you.

Now are you going to have someone work up some language, Mildred, for the other amendment?

I think they are understood, there.

As long as it is understood. But, you see what it says here is that we are authorizing them to enter into contract and as long as it is clearly understood, because it says they are going to set up an agreement. The agreement will set out procedures for City Council review and approval of a Square budget each year and we are authorizing them to enter into agreements. By the way, who is going to appoint that committee?

The Council, I think.

No, I don't think so. I think not.

You mean the management committee?

Yes. It is going to be a committee —

Isn't that recommended by the Mayor?

Recommended by the Mayor.

And approved by the City Council?

Yes.

That's right, yes.

Well, it doesn't say that in the agreement here.

Those would come back to the Council. Once we get it put together and assuming that there is some interest in the other end, that is in the people to form the non-profit corporation and make the commitments for the private funding that is proposed here, we would be back to the Council with the details of the non-profit corporation.

And would you also put in there that this contract can be terminated at any time by the Council on 30 days notice? Because when you are appointing a citizens committee and you are obviously giving them control of a great deal of money, I think you are going to need some strings to know that if it is not running right that the Council, and if there is something wrong I don't want to say well, it is the fault of the citizens committee, because it isn't. It is the fault of the Council for not watching it.

Well, if we are funding half of the expenditure
I think we have sway one way or the other. I don't think any citizens group is going to fly into the face of the City Council as far as walking off with the farm.

SCHWAB But if we have to agree to pay 50% of what they are doing plus the $88,000 a year, then I think we need some control over that.

IVANCIE Well, Mildred, I think they would have to submit a budget and we would have to approve that budget before we would go along with it, because 50% of that money is obligated by us.

SCHWAB It is $88,000, Frank, plus 50%.

IVANCIE Yes, I know the $88,000.

SCHWAB And I just want to think that if we get a committee, and times tighten up, that we have some sway in it, because times are tightening up.

JORDAN Yes, but if we get out that means they have to also be able to get out, too. That is my major concern, for them getting out of the business.

SCHWAB But I would like some kind of control. Could we make it a one year contract, then, with the citizens committee or a year and a half, or something?

LA CROSSE That's fine. That coincides with the budget process.

IVANCIE Pat, you talked about the basic square and then we talked about the ideal square. The full square design would have cost how much?

LA CROSSE $3,350,000.

IVANCIE 3.5, and we are ending up with ---

STRACHAN Is that the ideal square?

IVANCIE The full square, the concept that Will Martin came up with.

LA CROSSE That's the full square.

SCHWAB With or without the sidewalks?

LA CROSSE That is separate from the sidewalks. The sidewalk is handled separately.

IVANCIE So, now you are saying there would be money available, about $200,000 short for what type of ---

LA CROSSE For the basic square.

IVANCIE For the basic square, which is how much?

LA CROSSE That is $2,550,000. That includes all of the brickwork, the landscaping, the restaurant pergola, the restrooms attached to the restaurant.

IVANCIE So as far as the overall square project we are about a million short in funds, as far as the total concept being developed. So, now you are coming back with a recommendation that we go...
ahead with the basic square, and hopefully in the future we can add to that basic design.

Yes, Your Honor. The method of preparing the documents will allow us to build the basic square at $2,550,000 with the alternates, as far as the bidding process, so that depending upon how much money we have at the time we go into construction we can either go ahead with the basic square or any of the alternates that will be bid along with that, all the way up to the full square itself.

How much in addition is the sidewalk and the street and the bus shelter, and how much of that is Tri-Met paying and how much is somebody, how much are we or you paying?

Well, the only thing that we have estimated at this point is the sidewalk. The cost estimate for the sidewalk is $375,000, of which Tri-Met is committing to $210,000.

So the remaining $165,000 is paid by who?

It would be paid by tax increment funds. It would come out of that $360,000 that was originally set aside as local match for the UMTA Grant. That still leaves us approximately $200 left over.

And then are we going ahead with the street and the bus? Who is paying for the bus shelter, Tri-Met, or is that included in it?

There is an additional $70,000 over and above the $210,000 that Tri-Met is willing to commit for a bus shelter. Our acceptance of that would be contingent on some other alternates being exercised. Basically, what it amounts to is that we're not sure whether Tri-Met should build that shelter or we should incorporate it into the project. It really depends on ---

So they're not committed to that 70,000.

We are not committed to take it. We won't be in the agreement that we make with them, should this go ahead.

In that case, we have 200 -- there's 210 now plus the 70 for the bus shelter. And how about the street? Or are we not necessarily doing that?

No, we are not working in the street. We have set the curb line as our project area and Tri-Met has other funds that will pay for the street improvement.

Tri-Met is paying how much?

$210,000.

But out of that we may have to build the bus shelter.

No. There is an additional 70 over the 210,000 that Tri-Met has and will give us to build a bus shelter if we choose to build the bus shelter. If we do not build it, then Tri-Met will have to fund it on his own.
But if it is built they will fund it.

That's right.

Commissioner Strachan?

Basically, you are saying that the design, the best design includes a bus shelter that we should build; that's one way to go. Otherwise, they go -- what determines who builds the bus shelter? Basically, isn't it the best design for the site?

Well, it has to do with the fact that we have, as Pat mentioned, alternates in the bid and should, by November or December, the Friends or some other source come up with private funds that would allow the construction of the stoa columns on Yamhill and Morrison, then we will incorporate and in fact have designed a bus shelter that is attached to them. But, if we don't have money to build the stoa columns then we don't want to be obligated to build the shelter.

So it basically is a design decision.

That's correct. And a money decision, too.

But if it is our design they won't put in the $70,000?

We are not obligated -- the contract isn't written yet because, clearly, it is waiting this.

What I am trying to find out is if we draw a different design, will Tri-Met still contribute the $70,000 toward it, or not? Yes or no?

A different design than what?

Than the one you are talking about for the 70,000. You say they are willing to build one for 70,000.

We have designed, Commissioner, a shelter that is attached to the stoa columns that will cost $70,000, that they are willing to buy. But it takes the columns to build it. If we do not have the columns, the contract will be written so that we will not be obligated to build either the columns or the shelter. They can take $70,000 and they can do with it what they wish.

I see. Okay. Build something else, okay.

We can end up being very stoic, is that right? Pat, how much money has been raised by the outside group as far as helping with this project?

They have given us a letter that indicates that they have $400,000 committed, so far.

What was their goal?

Their goal is, I believe, a million six.

Thank you. Any further discussion? Yes, sir.
Just a couple of quick questions.

Give your name again.

Paul Dungan. These are easy to answer, I think. What percentage of this total project is coming out of the City of Portland taxpayers' funds, actually? Just the percentage.

Pat, do you want to take a stab at that?

To construct this project. Just a rough figure.

Under 50%. Close to 50%.

Okay, close to 50%. Okay. And could somebody just briefly tell the citizens of Portland generally what benefits will we get from this particular structure?

I think it is the idea that any city should have a good public square, and I think the Pioneer Square project fits that bill. There is some argument about how that square should be treated but that is behind us right now. You just can't leave that space as an open field with a pile of rubble, like it is today. So, that is the rationale.

Okay, thank you.

My name is Marcia Gaiser, 4235 SW Agate Lane, and I am just a citizen. I feel that you are nit-picking with all of these little things but your basic plan is what we need a master plan in this city of what we want to do. We have all these different, you're talking about all these little plans for shops and things like that you are going to think about putting down there and you are thinking about a restaurant. Well, we have all these restaurants around that are trying to make their way and make a little money around the city. What we need there is something that our populace can be proud of, that will draw all the people into Portland that don't already work there. We don't want just a restaurant to feed all the people that are already there. They are already taken care of.

What we need so badly is something like a structure that you can draw things like the rose show that is so popular and ---

Ma'am, that argument, I happen to agree with your approach and some others do, too, but the Council did decide on this open concept of design.

Yes, but you are not following that. You are putting all these little things in.

No, we are following it. This is what PDC is following, trying to follow the instructions of the Council as best they can. So, that decision has already been made.

But you keep making these little decisions as you go along.

Well, we have some management of the square that we have to resolve. There is some space underneath
the square that could be utilized for retail and other uses that we are talking about. But, it doesn't take away from the idea that the square is open and it will be a basic design. That is already agreed upon by this City Council. That is behind us, now.

GAISER

That is what I am saying. I don't feel like there has been enough input in and I don't think it would be ---

IVANCIE

Well, we spent hundreds of thousands of dollars on committees and contests and thousands of hours of time here in the City Council, or hundreds of hours talking about it. We have talked this thing out. I am tired of it. I just want to go on and build something.

GAISER

I am disappointed.

IVANCIE

Well, you probably should have been here about six months ago, or a year ago.

STRACHAN

Commissioner Ivancie?

IVANCIE

Yes, Margaret.

GAISER

I was.

STRACHAN

Mayor Ivancie, before you are totally worn out I would just like to comment on the fact that over 18,000 bricks have been sold. Isn't that accurate? I think that suggests that there is a huge number of citizens in this community that are excited about this square, that are committed to this square, that are willing to put their money where their mouth is and not just their tax dollars. And I think those people are all going to come to that square to find their brick, so I think we are both going to have an exciting square with a lot of citizen support and a lot of people coming downtown and that is what we wanted in the first place, was a people attractor.

I realize that there have been disagreements in the past over this design. I happen to like this design, but I agree that is in the past and I think that having sold 18,000 bricks and the sales are still going on and we haven't even begun the Christmas season, that there are a number of citizens in the City of Portland that are excited about Pioneer Square and are right behind it.

Wait until Blitz comes looking for his brick.

GAISER

I am not just talking about Pioneer Square, people. I am trying to talk about the whole city, your whole plan. Just get a master plan for the city.

IVANCIE

Ma'am, we have plans. We have drawerfuls of plans. We have downtown plans, we have waterfront plans, we have these plans and those plans and all -- there is no shortage of plans.

GAISER

I know you have plans, but ---

IVANCIE

There's no shortage of plans. We have plenty of those. I think we are successful at implementing a lot of those plans. They are in motion right
now, like the Downtown Plan and the Waterfront Plan and the Morrison Street Project. I think you should spend some time over at PDC and go over some of these plans and the Planning Commission offices. There is no shortage of plans. That is the fun and games of it all. But it is the idea of putting these plans into implementation phases that we have to wrestle with, because there are time and money constraints. So, we have plenty of plans, going back to Moses. You know, there is some truth in that: the Biblical Moses, and the Moses out of New York who just recently died.

Any further discussion? Call the roll?

DUFAY On 2644?

IVANCIE Yes.

The resolution, C.C. 2644, was then declared adopted by the following vote: Yeas, Commissioners Jordan, Schwab, Strachan and Mayor Ivancie, 4.

The resolution, C.C. 2643, was then declared adopted by the following vote: Yeas, Commissioners Jordan, Schwab, Strachan and Mayor Ivancie, 4.

At this time, by unanimous consent, Council recessed for ten minutes.

At the termination of the recess those present were: Mayor Ivancie, presiding; and Commissioners Jordan, Schwab and Strachan, 4.

Resolution No. 32984, entitled "Resolution expressing concern over Federal actions adversely affecting refugees and requesting a reassessment of Federal refugee policy in view of local economic conditions and limited local resources," was introduced by Commissioner Jordan and read.

JORDAN Any discussion?

Mr. Mayor, I submitted two packages to the Council as supporting documents, and I think the reason for the resolution is very clear in those documents. Therefore, I will not go through those. But, the crisis that we are encountering is a minor crisis that has all the potential of becoming a major one and it appears that the only way that we can avoid this major crisis is for us to persuade the federal government to honor their commitment on the Refugee Settlement Act of 1980. Because I think that the cost to cities is going to be almost prohibitive and it is totally unfair to our new citizens.

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Any further discussion?

SCHWAB Mr. Brown wants to be heard. Would you mind swinging the microphone around, Mr. Brown?

BROWN My name is W. F. Brown, 2416 NE 18th Avenue, Portland. I agree with the suggested resolution and I would like to see you add a few more words to it and ask ex-President Carter to contribute some funds for the care of the refugees that are in Portland, and also express an opinion that the estate of Lyndon Johnson, ex-President, should contribute some funds. He got us involved in Vietnam in a big way. Vote for it; I think you are on the right track. Thank you.