



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Meeting Agenda City Commission

Wednesday, February 5, 2020

6:00 PM

Commission Chambers

Work Session

1. Convene Work Session

2. Roll Call

3. Discussion Items

- 3a. [20-049](#) Management of the Willamette Falls Legacy Project Riverwalk Programming

Sponsors: City Manager Tony Konkol

Attachments: [Riverwalk Programming Management Entity Proposal](#)
[Staff Report](#)

- 3b. [20-046](#) Oregon City Operations Complex Development Project Update

Sponsors: Public Works Director John Lewis

Attachments: [Presentation Slides](#)
[Staff Report](#)

4. Adjournment

Agenda Posted at City Hall, Pioneer Community Center, Library, City Web site.

Video Streaming & Broadcasts: The meeting is streamed live on Internet on the Oregon City's Web site at www.orcity.org and available on demand following the meeting. The meeting can be viewed live on Willamette Falls Television on channel 28 for Oregon City area residents. The meetings are also rebroadcast on WPMC. Please contact WPMC at 503-650-0275 for a programming schedule.

City Hall is wheelchair accessible with entry ramps and handicapped parking located on the east side of the building. Hearing devices may be requested from the City Recorder prior to the meeting. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Staff Report

File Number: 20-049

Agenda Date: 2/5/2020

Status: Agenda Ready

To: City Commission

Agenda #: 3a.

From: City Manager Tony Konkol

File Type: Presentation

SUBJECT:

Management of the Willamette Falls Legacy Project Riverwalk Programming

RECOMMENDED ACTION (Motion):

No action is required at this time, though staff is seeking general guidance on if the City Commission is interested in the Willamette Falls Trust managing programming for the Willamette Falls Legacy Project Riverwalk. If not, staff is looking for guidance as to which management strategy the City Commission would prefer.

BACKGROUND:

Executive Summary:

Oregon City is tasked with actively programming the Willamette Falls Legacy Project riverwalk. Programming can be anything which activates the space such as displays or events on the history of the site, dance lessons, speakers, markets, or concerts. Staff is seeking guidance for who is best suited to program the riverwalk in a way that honors the four core values of the project as well as the expectations of the community. Though there are many ways to manage the facility staff recommends the City work with the non-profit Willamette Falls Trust to implement programming of the Willamette Falls Legacy Project riverwalk.

The riverwalk is anticipated to be maintained by multiple government agencies. While Metro will be responsible for management of the habitat areas, the City of Oregon City will responsible for management of hardscape, including the programming of the site. The programming can be anything which activates the space such as displays or events on the history of the site, dance lessons, speakers, markets, or concerts. Active management and coordinated programming of the Willamette Falls Legacy Project riverwalk is critical to assure implementation of the project's core values (historic and cultural interpretation, economic redevelopment, public access, safety, and healthy habitat). In addition, proper programming of events and activities support the vibrancy of our downtown and citywide tourism throughout the year by creating a four season destination. Lastly, the riverwalk is a long, lineal space which will be constructed incrementally over a long period of time and active programming will bridge gaps of development and significantly increase safety so the riverwalk is an interesting and dynamic place for all to enjoy.

Options:

As the design of Phase 1 of the riverwalk is being finalized, it is necessary to identify how the

programming is managed. Potential options include:

- Oregon City manages the programming internally.
- Oregon City finds another entity to manage the programming.
- Oregon City works with another entity to manage the programming.

The benefits of Oregon City not managing the programming of the riverwalk include:

- Reduced financial burden for the City;
- Reduced staffing burden for the City;
- Non-Government entities may be able to complete the work for a lower cost;
- Greater expertise and/or experience with world-class programming;
- Broader opportunities to raise money or qualify for grants;
- The sole purpose of the entity could be focused on the success of the riverwalk, as opposed to a variety of interests; and
- More innovative and nimbler than the City.

The drawbacks of Oregon City not managing the programming of the riverwalk include:

- Reduced control;
- Difficulty in reobtaining control;
- May not be as motivated to have a successful project;
- May not implement as good as the City over a long period of time.

Staff believes it is in the City's best interest to work with another entity to manage the programming of the riverwalk. With clear expectations, metrics for success, and communication, another entity could implement the City's vision and expectations more successfully than traditional parks programming. This model has been successfully implemented in a variety of world-class destinations. Due to the commitment and dedication of the Willamette Falls Trust, staff believes that they could be a viable partner to implement the programming to honor the iconic vision of the public. A memorandum is attached with further analysis.

Riverwalk Management Recommendation

Programming Development Background

There is general agreement amongst the Willamette Falls Legacy Project (“WFLP”) partners that Oregon City is responsible for ownership and overseeing Riverwalk operations. In early 2018, WFLP assigned the task of developing a programming plan for the Riverwalk to the City of Oregon City and the Trust. The flexibility inherent in the Trust’s nonprofit structure led Oregon City to charge the Trust with leading the development of the Riverwalk programming plan. In response to a Request for Interest proposal released nationwide in February 2019, the Trust interviewed and retained Biederman Redevelopment Ventures (“BRV”) and the MASS Design Group (“MASS”) to support the development of the programming plan.

After a 9-month engagement with Trust and City staff, and community groups, BRV is recommending a strong partnership between the City of Oregon City and a nonprofit as the ideal management structure for the Riverwalk. This structure is consistent with best practices at Portland’s Pioneer Courthouse Square, Seattle’s Occidental Square, and many sites visited by the Trust’s Board of Directors during a best practices trip in the summer of 2019, including San Francisco’s Yerba Buena Gardens and the developing Seattle Waterfront. Though not a public-private-partnership, the Presidio and Salesforce Park (visited during best practices trip) also employ innovative management approaches utilizing government oversight and private sector techniques for programming and revenue generation.

The City has created clear goals for programming that align with its big picture vision. The Trust shares these goals. Implementing them on behalf of the City and community further advances the City’s vision.

Statement of Purpose

Create a management structure for the Riverwalk that:

- Advances the project’s four core values;
- Builds on the significant public input that was approved in the concept plans adopted by the Metro Council, the Oregon City Commission, and the Willamette Falls Legacy Project;
- Optimizes the potential for success by maximizing flexibility, assuring local control, and minimizing overhead.

The following proposal would charge the private, nonprofit Willamette Falls Trust (“the Trust”) as the managing entity of the Riverwalk.

The Benefit of Nonprofit Park Management

Partnerships with nonprofit park management entities make sense for local governments because they usually are devoted to the success of the facility, save the City money, provide specific public sites with dedicated managers who pay attention only to that site (as opposed to being spread across many parks), have specialized expertise in programming, and allow the use of private-sector techniques and expertise.

By relieving the City of its operating obligations, a public-private park partnership will benefit the City financially. The City can either save money or reallocate resources to parks in other areas. In addition, there are other indirect effects on the City's finances:

- The City will benefit from increased real estate values and an increased value of ground leases. Separately managed parks have an established track record of creating real estate value in abutting property.
- More intense and year-round programming means more visitors, which in turn means increased spending in and around the parks.
- Permanent jobs will be created by the new management entity as well as any new businesses that sprout up in, around, or because of the revitalized park. This economic development may have a small effect on City revenues through the property taxes.

Non-financial benefits include opportunities for local businesses to market themselves through programming and events. Park management entities often create highly-active urban parks that rely on local businesses, nonprofits, and institutions to provide these activities and events. In the process, the park and these programming and event partners grow each other's audiences, exposing both the park and the business or nonprofit to new people and new opportunities.

The increased funds resulting from a public-private park partnership will also lead to a higher-quality and higher-profile venue for civic events. And, of course, a public-private park partnership usually creates an abundance of new, free programming for the public. Active programming and park activity serve as a strong foundation for public safety and security.

Riverwalk Managing Entity

Typically, private park management entities are nonprofit corporations. Government agencies and the public are more comfortable with an organization that reinvests any revenues it generates back into the park it is managing on behalf of a city and its residents.

The nonprofit model involves a long-term lease or management agreement between the City and a nonprofit organization that is established to take complete control of the operations of the park. This model involves no government money and gives the most rights and responsibilities to the Managing Entity ("ME"). The lease transfers all the operating and maintenance responsibilities from a public agency to the nonprofit park management organization, stipulating close coordination with City staff, including public safety, public works, and the parks department. The ME will work closely with the City to specify expectations and success metrics in the lease. The lease also gives the ME the right to freely enter into contracts with vendors and concessionaires, as well as retain any revenue generated within the bounds of the park (along with a requirement that any revenue generated must also be spent on the park). Under the terms of a lease it should be determined how all future capital expenses will be funded.

Rent would be a nominal figure such as one dollar per year, recognizing that the ME is saving the City money by releasing it from its operating obligations. This type of management agreement usually does not include provisions for "maintenance of effort" (see below), but public agencies do continue to provide select services in many cases (such as providing electricity and other utilities to the park, free-of-charge), analogous to what a commercial landlord might provide a desirable tenant.

Contributions from surrounding property owners, who have a vested financial interest in a park's success (because the value of their real estate will increase), are a critical source of funding for many

of the most prominent urban parks in the United States. In addition, philanthropic contributions from individuals and foundations are often used to close the gap between revenues and expenses common to the early years of operation for a new or revitalized public space, and sometimes become an important ongoing source of funding for a park. Philanthropic contributions are only tax deductible for individuals if they are given to a nonprofit corporation that has been classified as a 501(c)(3) organization by the Internal Revenue Service. In addition, many foundations will only donate to 501(c)(3) organizations. Beyond that, obtaining 501(c)(3) status is often a requirement for many public and private grants for specific capital projects or programs. Any park management entity that plans to use any of these revenue streams should be formed as a 501(c)(3) nonprofit corporation.

Creating a Riverwalk Management Entity

This proposal recommends authorizing Willamette Falls Trust as the Managing Entity (“ME”) charged with managing operations of the Riverwalk, including programming and maintenance. This will maintain the flexibility inherent in the private sector afforded by the Trust’s nonprofit status. Local control and oversight would be assured by an 8-14 member community board, appointed by the City Commission and the Trust. The ME Board might consist, for example, of 5-8 community members, at least 1 City Commissioner, and key City staff – Police Chief, Parks Director, Community Development Director. The ME board would report quarterly, or as directed, to the City Commission, or its designee.

A nonprofit Managing Entity is the structure used by the two most heavily programmed parks cited in the 2016 EcoNW *Riverwalk Operations and Maintenance Case Studies* report commissioned by Oregon City. These two parks are the New York’s Highline and San Francisco’s Yerba Buena Gardens. Heavy programming presents the strongest benefit to safety and economic development and best meets the world class standard set forth by WFLP for the Riverwalk. This nonprofit structure is also being used at multiple other sites visited by the Trust and Seattle’s newly-created *Friends of the Waterfront*. This is also the structure of several parks BRV helped develop including Bryant Park in New York, Klyde Warren Park in Dallas, and Levy Park in Houston, all heavily programmed.

Responsibilities of the ME

The ME would be responsible for all Riverwalk sanitation, security, and landscaping which is not otherwise under Metro’s responsibility, programming/events, and maintenance, and will be responsible for generating the revenue to support the Riverwalk operations. Metro would retain control and maintenance responsibility for all areas specifically designated for “habitat restoration”. The lines of responsibility for specific areas will be detailed in a formal, long-term management agreement, to be drafted.

This relationship would be directed by a long-term management agreement between the City and the ME. The agreement would grant the ME control of all net revenue generated in the spaces.

The management agreement would specify the performance standards of management, operations, security, and sanitation so that the ME meets and/or exceeds the expectations as set out by the City and meets and/or exceeds the expectations of WFLP. The management agreement will include clear procedures for revocation, if expectations are not met.

Projected Programming Budget

Total cost for a world-class programming experience is projected to be approximately \$400,000-600,000 annually, including programs and staff. This projection does not include sanitation, security, landscape, and maintenance. The budget for those items will be estimated closer to project opening.