

Staff Report

File #: 19-243**Version:** 1**Date:** 6/10/2019**Item #:** 3.3b.

TO: Mayor and City Council**THROUGH:** Steve Powers, City Manager**FROM:** Peter Fernandez, PE, Public Works Director**SUBJECT:**

Agreement with the Rotary Club of Salem for constructing a new performance facility at Riverfront Park.

Ward(s): Ward 1

Councilor(s): Kaser

Neighborhood(s): CANDO

Result Area(s): Welcoming and Livable Community

ISSUE:

Shall the City Council authorize the City Manager to execute the attached ground lease agreement with the Rotary Club of Salem for constructing a new performance facility at Riverfront Park?

RECOMMENDATION:

Authorize the City Manager to execute the attached ground lease agreement with the Rotary Club of Salem for constructing a new performance facility at Riverfront Park.

SUMMARY:

In celebration of its centennial in 2020, the Rotary Club of Salem ("Rotary") is donating a new performance facility to the City. The facility will consist of a stage, cover, and related trusses, supports, and ancillary elements to support lighting, rigging, sound systems, and other features. Per the Council-adopted *Salem Riverfront Park Master Plan* (2018), the performance facility, or amphitheater, will be situated within the four-acre property located in the southeast corner of the park. This area was acquired by the City in 2015 and is currently undeveloped. Attachment 1 is an illustration from the *Salem Riverfront Park Master Plan* that shows the proposed improvements in this area of the park. Attachment 2 is a conceptual design of the amphitheater provided by Rotary.

Because the development of this portion of the park is a joint project with separate sets of defined

assignments for the City and Rotary, a ground lease agreement ("Agreement") has been prepared that defines roles, responsibilities, obligations, and rights for both parties. Under the proposed Agreement, Rotary is responsible for designing and constructing the performance facility and the City is responsible for designing and constructing the contoured grass seating area, walkways, electrical service, landscaping, irrigation, restrooms, additional parking, river overlook, and other improvements contained in the *Salem Riverfront Park Master Plan*. Once the Agreement has been executed, necessary funding has been obtained, and other preconditions met, construction of the performance facility can commence. The proposed Agreement is provided as Attachment 3.

FACTS AND FINDINGS:

1. On October 23, 2017, after Rotary had conducted a thorough public review process and after receiving an endorsement by the Salem Parks and Recreation Advisory Board, Council adopted the preferred design for the performance facility.
2. On November 13, 2018, City Council adopted the *Salem Riverfront Park Master Plan*. An amphitheater and covered stage are among the features identified in the 2018 master plan for the four-acre undeveloped property.
3. The current estimate for Rotary's cost for their share of the performance facility is \$3.96 million.
4. The current estimate for the City's cost to develop the four acres per the Salem Riverfront Park Master Plan is \$2.7 million. This estimate includes design, engineering, project management, site investigations, fill, grading, irrigation, electrical, lighting, parking lot extension, plaza, maintenance yard relocation, walkways, seating area, overlook, and landscaping.
5. Among the provisions of the Ground Lease Agreement are the following:
 - a. In recognition of Rotary's contribution of the facility, the City agrees to name the facility The Gerry Frank | Salem Rotary Amphitheater and if Rotary completes the project, will maintain that name for at least 100 years;
 - b. Rotary, as Tenant, will lease approximately 2.2 acres within the four-acre parcel for the purposes of constructing the performance facility;
 - c. When Rotary's project has been completed, the leased property and all improvements constructed on the property will be returned to the City;
 - d. Rotary must have raised at least 75 percent of the final estimated budget for their project before commencing construction. This amount includes cash, in-kind services, and pledges;
 - e. The Agreement is for a term of seven years unless modified by the parties;

- f. Rotary will indemnify the City for any claims resulting from Rotary's use of the leased property, except those resulting from the City's own acts or negligence;
- g. If the agreement is terminated by Rotary after construction has commenced, but prior to completion, the City will use best efforts to complete the project-subject to available resources -and will retain the name of the facility as The Gerry Frank | Salem Rotary Amphitheater for at least 25 years;
- h. If the agreement is terminated prior to construction commencing, neither party will have any obligation to complete the project;
- i. Rotary will pay prevailing wages for the work conducted for its share of the project;
- j. The City will waive all fees for Rotary's use of the Park for up to five days each calendar year; and
- k. For efficiency and project cohesion, the City and Rotary will use the same architect, CB | Two Architects, and the same project management firm, Klosh Group.

BACKGROUND:

The City purchased the original 23 acres comprising Riverfront Park from Boise Cascade in 1984 using funds from the Riverfront-Downtown Urban Renewal Area. After conducting significant remediation activities on the former industrial property, Riverfront Park was opened to the public in October 1996. In March 2015, the City acquired an additional four acres of the former Boise Cascade property from Mountain West Investments, LLC for expansion of Riverfront Park. Riverfront Park has served as Salem's premier outdoor event venue for over three decades. The park is also home to A.C. Gilbert Discovery Village, Salem Riverfront Carousel, the eastern landing of the Union Street Railroad Bridge, and the northern landing of the Peter Courtney Minto-Island Bridge.

Many of the amenities currently located in Riverfront Park have been donated over the past 20 years. Funding for the Children's Playground was a gift from six Salem area Rotary clubs in 1997. The Salem Riverfront Carousel was added in 2001 through a combination of volunteer and business contributions. The Rotary Pavilion was donated by the Rotary Club of Salem in 2005. The Asher Anderson Spray Fountain, dedicated in July 2009, was funded by Larry Tokarski and family. Gifts from other donors in the park include the Eco-Earth Globe (2003), Governor Tom McCall statue (2008), and the Angel of Hope Statue (2011).

Robert D. Chandler, PhD, PE
Assistant Public Works Director

Attachments:

- 1. Excerpt from 2018 Salem Riverfront Park Master Plan
- 2. Draft Rendering of The Gerry Frank | Salem Rotary Amphitheater

3. Proposed Ground Lease: The Gerry Frank | Salem Rotary Amphitheater