

SUBSTITUTE

3 6 8 0 8

As Amended

RESOLUTION No.

Commit to pursue a mutually agreeable partnership with the Oregon University System for the Oregon Sustainability Center, direct the Bureau of Planning and Sustainability and Portland Development Commission staff to initiate schematic design for the Oregon Sustainability Center, and direct further analysis of the proposed development by the Bureau of Planning and Sustainability, Portland Development Commission, and the Office of Management and Finance (Resolution)

WHEREAS, in September 1999, through Resolution No. 35817, the City Council directed the development of a *Green Building Action Plan* based on recommendations from the Sustainable Portland Commission's *Green Building Options Study*; and

WHEREAS, in January 2001, through Resolution No. 35956, the City Council directed City bureaus to adopt and implement *Portland LEED™ Green Building Rating System* and other approaches identified in the City's *Green Building Policy* pertaining to design and construction of new City facilities or City-funded projects; and

WHEREAS, in April 2005, through Resolution No. 36310, the City Council amended the City's *Green Building Policy* as binding policy and directed all City bureaus and the Portland Development Commission (PDC) to require certain sustainable and green standards in construction, operation and maintenance of City buildings; and

WHEREAS, in July 2009, through Resolution 36714, the City Council adopted the *City of Portland Economic Development Strategy – A Five Year Plan for Promoting Job Creation and Economic Growth*, setting the objective for continuing Portland's leadership in green building by creating the next generation built environment, through the establishment of the Oregon Sustainability Center (OSC) to foster the next wave of innovation in sustainable building and living, and directed coordination with PDC regarding implementation of the actions identified in the Strategy; and

WHEREAS, in October 2009, through Resolution 36748, the City Council adopted the Climate Action Plan, setting the goal for reducing carbon emissions by 80% by 2050, and established interim building and energy objectives to achieve zero net greenhouse gas emissions in all new buildings and homes and to ensure that new buildings can adapt to the changing climate; and

WHEREAS, the City of Portland is in the process of developing the Portland Plan, a strategic and comprehensive plan for the future growth and development of the city over the next 30 years, which will strongly influence the region's ability to prosper without relying on carbon based energy; and

WHEREAS, in 2009, PDC as the City's urban renewal and redevelopment agency selected Gerding Edlen Development to prepare a feasibility analysis for the OSC, and where the feasibility study prepared would determine whether the world's first high-density, multi-use, net zero energy, water, and wastewater building that meets the requirements of the Cascadia Region Green Building Council's Living Building Challenge could be constructed; and

WHEREAS, the City and the Oregon University System (OUS) wish to jointly develop and own the OSC, to be located on PDC property on the Portland State University (PSU) campus at the intersection of SW Fourth Avenue and SW Montgomery Street; and

WHEREAS, the City and OUS desire that the OSC would be able to deepen Oregon's green building expertise, to create local jobs, and to expand the understanding of the integral relationship between people and the buildings they occupy and operate; and

WHEREAS, the City and OUS desire that the OSC would be the home to a consortium of sustainability-focused businesses, non-profits, and researchers, making the OSC a hub for the region's economic competitiveness in sustainability and forging connections to Oregon's sustainable businesses by showcasing green building features and innovations; and

WHEREAS, the State of Oregon has approved the use of up to \$80,000,000 of State of Oregon General Obligation bonds to financially support the development of the OSC, and where OUS has received contingent tenant commitments from universities within the OUS system as well as partner non-profit and business tenants needed to support the state General Obligation bonds, has committed funds towards the completion of the schematic design phase for the OSC, and is seeking the City's partner commitment to consider moving forward with this investment in the schematic design phase of the OSC;

NOW, THEREFORE, BE IT RESOLVED, the City Council directs PDC and Bureau of Planning and Sustainability (BPS) to continue further evaluation of the OSC through the schematic design phase in which expenses for that phase would be jointly shared by PDC and OUS and with a shared understanding by project partners that the development and construction costs of the OSC would not exceed \$420 per square foot and a desired goal that the cost be significantly less; and

BE IT FURTHER RESOLVED, the City Council commits to pursuing a mutually agreeable partnership in the development of the OSC with OUS dependent on (1) the outcome of the schematic design phase and (2) further analysis to determine whether the development of the OSC can reasonably and economically achieve the stated policies and goals of the City; and

BE IT FURTHER RESOLVED, the City and OUS would have joint public ownership in the OSC, with City ownership of approximately 24,400 useable square feet of space to accommodate the needs and uses of City bureaus or offices, OUS ownership of approximately 40,000 useable square feet for OUS uses, and shared ownership and responsibility for common spaces; and

BE IT FURTHER RESOLVED, additional space at the OSC would accommodate uses of non-profit and for-profit entities who would commit to tenancy at the OSC, where the entities would be ones who share in the vision for sustainability; and

BE IT FURTHER RESOLVED, the City Council directs BPS, PDC and the Office of Management and Finance (OMF) to analyze the fiscal and policy impacts of entering into a final commitment to pursue a joint partnership with OUS based upon the following points in order to

ensure such an agreement would meet or exceed the City's interests:

- Description and analysis of the joint public ownership proposal by the City and OUS, including financial analysis of the full construction and development costs for the OSC and finalized square footage and financial assumptions; and
- Description and analysis of the City's commitment to long term tenancy and ownership, including the move-in and furnishing cost for BPS and the ongoing cost of operation, maintenance and repair; and
- Description and analysis of the partnership to jointly own, manage and share financial risks for non-City and OUS space; to determine the minimum and maximum financial risk to the City and OUS for that space; and to analyze whether the space would meet or generate returns to exceed the debt service and other expenses required for development, construction, operation, maintenance and repair for the space; and
- Financial appraisal of the value of the PDC property to be contributed to the City and OUS for the development and construction of the OSC, with a Disposition and Development Agreement to be negotiated subsequent to schematic design and PDC Board of Commissioner and City Council approval to move forward; and
- Additional points, as identified by the City to ensure that the agreement would protect the City's financial interest, ownership rights, and achieve the City's policies and goals for economic development, sustainability, and fiscal responsibility, and

BE IT FURTHER RESOLVED, that BPS, PDC and the project team are directed to return to City Council to provide a report of the schematic design findings, including green technologies, and the description and analysis outlined above, and

BE IT FURTHER RESOLVED, that OMF is directed to return to Council at a work session within two months to provide to the Council additional information regarding City space planning and facilities needs, the current and projected costs for City space for BPS and others, and the impacts of potential moves and/or property sales, purchases, or developments on other City bureaus and agencies.

Adopted by the Council: AUG 04 2010

Mayor Sam Adams
Prepared by: K. Schneider
Date Prepared: August 4, 2010

LaVonne Griffin-Valade
Auditor of the City of Portland

By


Deputy

1108

Agenda No.
RESOLUTION NO.
 Title

SUBSTITUTE
36808
As Amended

Commit to pursue a mutually agreeable partnership with the Oregon University System for the Oregon Sustainability Center, direct the Bureau of Planning and Sustainability and Portland Development Commission staff to initiate schematic design for OSC, and direct further analysis of the proposed development by the Bureau, Portland Development Commission and the Office of Management and Finance (Resolution) *of Planning and Sustainability*

<p>INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams</p>	<p>CLERK USE: DATE FILED <u>AUG 04 2010</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Adams </p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: Deputy</p> <p>ACTION TAKEN:</p>
<p>BUREAU APPROVAL</p> <p>Bureau: BPS & PDC Bureau Head: Susan Anderson & Bruce Warner</p>	
<p>Prepared by: E. Jacobson & K. Schneider Date Prepared: 7/29/2010</p>	
<p>Financial Impact Statement</p> <p>Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input checked="" type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	
<p>Council Meeting Date August 4, 2010</p>	
<p>City Attorney Approval</p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/></p> <p>Start time: <u>10:30am</u></p> <p>Total amount of time needed: <u>30 minutes</u> (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	