



# South Waterfront North District Development Agreement PDC-PBOT IGA for Bond Avenue Design

City Council  
June 24, 2015



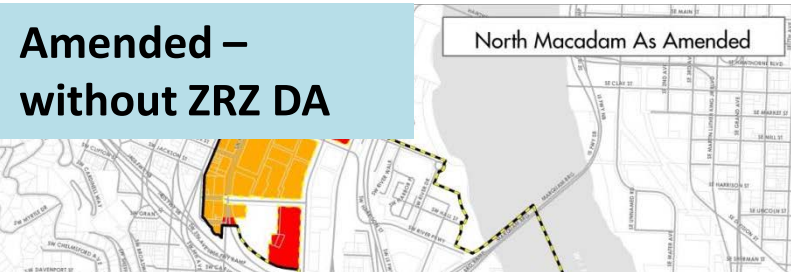
# Actions Requested

## **South Waterfront North District Development Agreement**

- Adopt the Development Agreement
- Direct Partner Bureaus to enter into Intergovernmental Agreements (IGAs) with PDC to implement Public Obligations
  - Portland Bureau of Transportation
  - Portland Housing Bureau
  - Portland Parks & Recreation
  - Portland Bureau of Environmental Services

## **PDC- PBOT Intergovernmental Agreement**

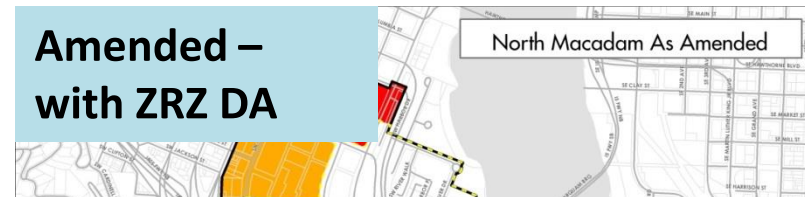
- Authorize PBOT to enter into IGA with PDC for 30% design of Bond Avenue and further design of certain segments. PDC to provide \$500,000 funding.



## Amended – without ZRZ DA

- SW Bond - \$8M
- Infrastructure/Open Space - \$7M
- Business/redevelopment loans - \$6.5M
- Affordable housing - \$47M
- PSU/University Place - \$19M

\$19M for RiverPlace Parcel 3



## Amended – with ZRZ DA

- SW Bond - \$8M
- Greenway - \$12M
- Ross Island Bridge Park - \$5M
- Economic Development - \$2.5M
- Affordable housing - \$60M
- PSU/University Place - \$19M

\$19M for RiverPlace Parcel 3






# PDC/City/ZRZ Development Agreement (DA)

## Opportunity

- Deliver on public goals for North Macadam
  - 10,000 quality jobs
  - 3,000 housing units
    - ~200 affordable housing units
  - Greenway extension and new open space
- Leverage City investment in Central District and Portland-Milwaukie Light Rail alignment
- Support OHSU Knight Cancer Challenge through SW Bond construction
- Advance new development on 30 acres of privately held South Waterfront land
  - Private projects will comply with PDC Business Equity and Workforce Equity program requirements
  - Private development will be party to a Project Apprenticeship Agreement



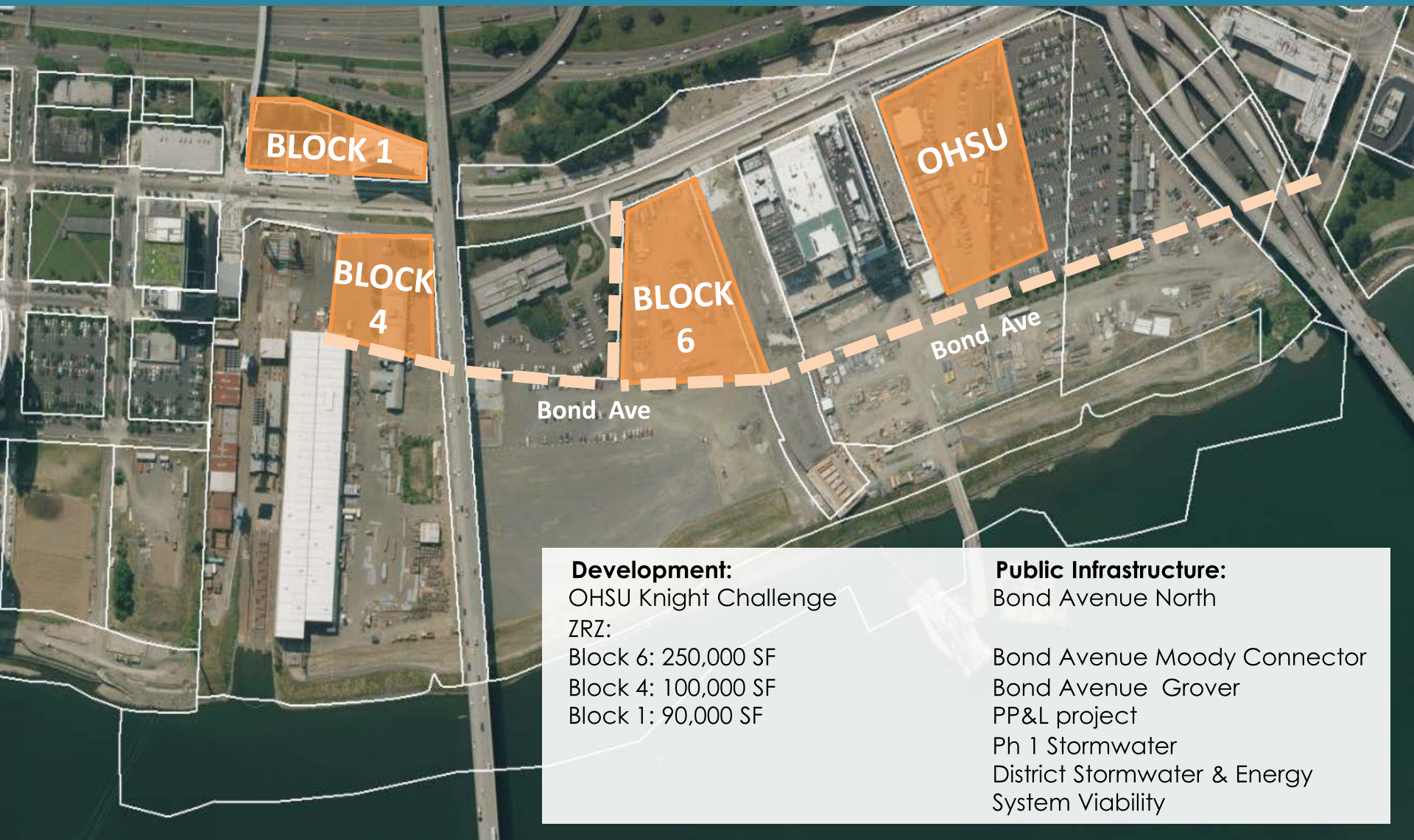
# Project Timeline and Outreach



	Activity	Outreach
2009	<ul style="list-style-type: none"> <li>- Partnership initiated</li> <li>- City Technical Advisory Committee formed</li> <li>- Negotiations initiated</li> </ul>	<ul style="list-style-type: none"> <li>- North Macadam URA Committee (2009-2013)</li> </ul>
2010-2012	<ul style="list-style-type: none"> <li>- Moody Avenue realignment completed</li> <li>- ZRZ Remediation including Greenway improvements completed</li> <li>- BES/ZRZ/ EPA District-Scale Green Stormwater Concept Plan</li> </ul>	<ul style="list-style-type: none"> <li>- South Waterfront Community Association</li> <li>- South Waterfront open house on ZRZ Master Plan</li> </ul>
2013	<ul style="list-style-type: none"> <li>- Zidell Yards Master Plan</li> <li>- The Emery opened</li> </ul>	<ul style="list-style-type: none"> <li>- URA Amendment Committee and PSC, PDC Board and City Council hearings</li> </ul>
2014	<ul style="list-style-type: none"> <li>- North Macadam URA Amendment</li> </ul>	



# Ph1 Development & Infrastructure: 2014-2017



Phase 1



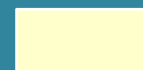
# Ph 2/3 Development & Infrastructure: 2018-2025



Phase 1



Phase 2



Phase 3



# Public and Private Investment

## Public Investment in Infrastructure:

ZRZ Development	\$ 24M TIF
OHSU Knight Cancer Center (Bond Ave)	\$ 4M TIF
Other Public Investment	\$ 7M
Total	\$ 35M

## ZRZ Private Investment in Infrastructure:

\$ 35M

## ZRZ Private Development

\$210M assessed value/1.5M SF

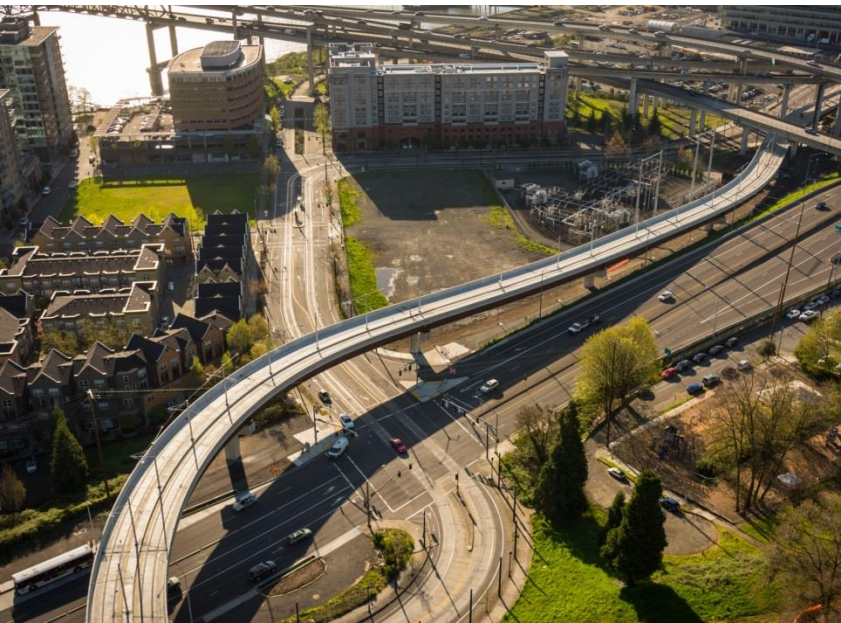


# North Macadam Affordable Housing Approach



Affordable Unit Goals for South Waterfront Area

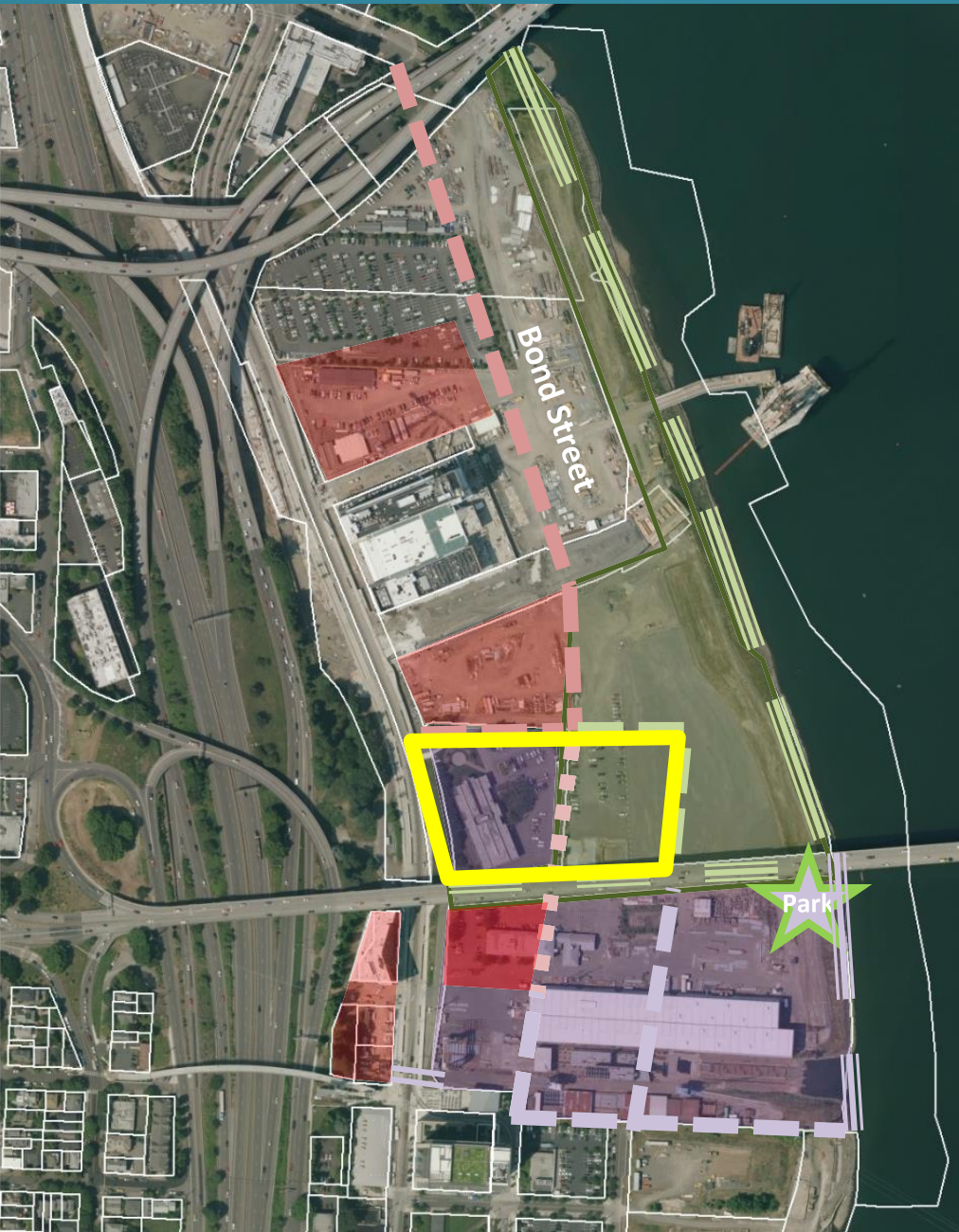
	Total	Achieved to Date	Net Remaining
0-30% MFI	166	42	124
31-60% MFI	313	167	146
<b>Subtotal</b>	<b>479</b>	<b>209</b>	<b>270</b>
61-80% MFI	103	0	103
81-100% MFI	172	0	172
101-120% MFI	34	0	34



## Projects

- PDC & PHB partnership mixed-use project on RiverPlace Parcel 3:
  - Must include 200 units of 0-60% MFI
  - Phase I to break ground by 2017
- **Development Agreements** with major property owners require affordable housing rights

# Development Agreement: PHB Option



- Option to purchase parcel / development capacity of at least 180,000 GSF.
  - Equates to approximately 200 units depending on unit mix
- Appraisal Instructions:
  - Title encumbrances
  - Environmental conditions
  - Existing improvement demolition needs
- Option Timeline
  - December 2015:
    - PDC/PHB IGA signed
    - Appraisal process initiated
  - July 2016:
    - Agree on Purchase Price
    - CPI escalation rate until option is executed
  - 2021: Option execution anticipated



# Development Agreement: Parks Partnership

## 2018: Open Space Concept Plan Process

- Ross Island Bridge Park
  - Size
  - Location
  - Conceptual Design
  - Programming
- Greenway Concept Design
- Zidell Yards other open space
- Zidell Yards Phase 2 development initiated

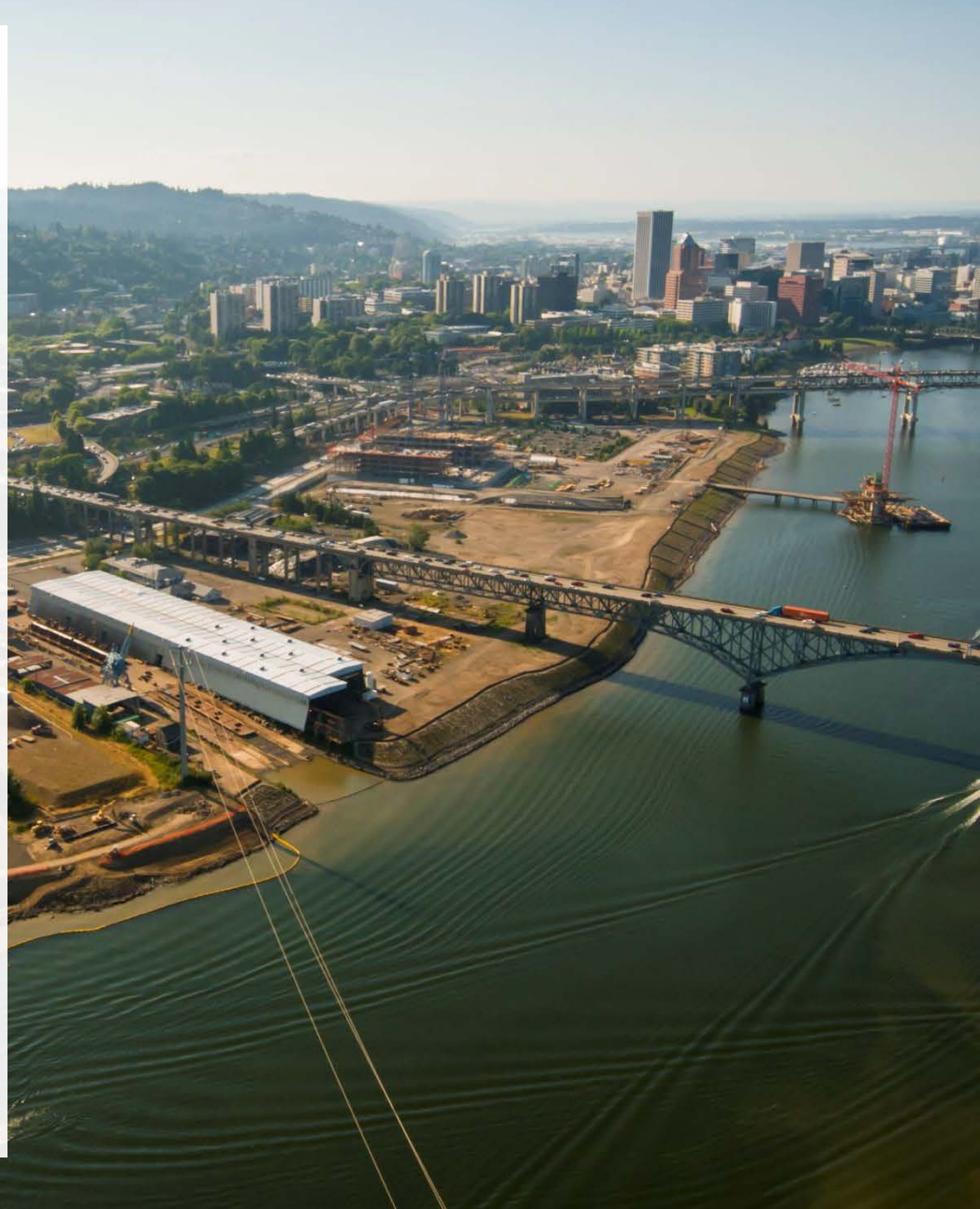
## 2019-2021: Acquisition Option

- Timeline for acquisition
- Purchase price: market value at time of sale
- Construction schedule

## 2022: PDC to provide \$5M for acquisition

Detailed Park Design Phase, post acquisition, includes public design process

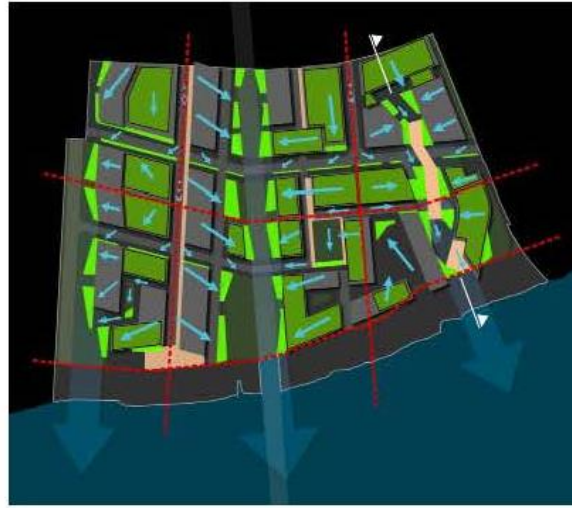
ZRZ may fund construction in exchange for SDC credits as permitted by Code; ZRZ may donate property for park



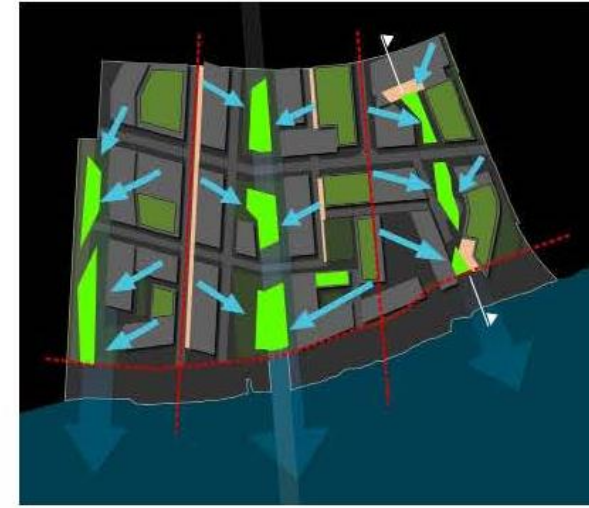
# Development Agreement: District Stormwater



**DIFFUSE + EMBEDDED**



**CLUSTERED + DISTINCT**



**CENTRAL + FOCUSED**

- District Stormwater Feasibility
  - Build on City/ZRZ EPA grant for District Systems
  - Opportunities to mix public and private green infrastructure
  - Explore potential to exceed City's existing requirements
  - Explore feasibility to minimize need for underground piped system
- Solution needed to serve public and private
  - Bond Street
  - Affordable Housing parcel
  - Private development



All Projects subject to:

- PDC Business Equity Program
- PDC Workforce Equity Program
- South Waterfront Project Apprenticeship Agreement
- Green Building Policy
- 2% for Art Policy (infrastructure)



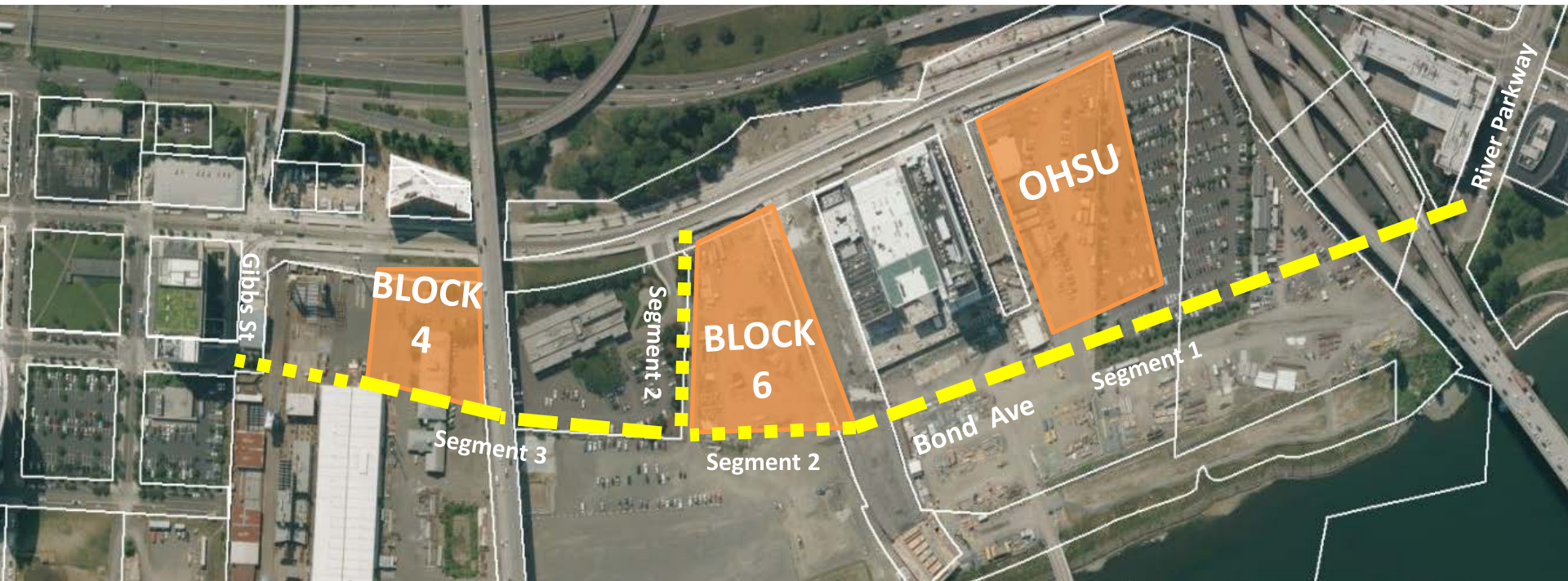






# PDC-PBOT IGA: Bond Avenue

- \$500,000 in FY 15/16
  - Phase I: 30% Design of Bond Avenue from River Parkway at Marquam Bridge to Gibbs
  - Phase 2: Further design of Bond Avenue segments triggered with adjacent OHSU/ZRZ project design development
- Construction under separate IGA once construction costs have been finalized
- Subject to approval of South Waterfront North District Development Agreement





# Questions?





# Risk Management

## Performance and Termination Remedy

- PDC obligations to fund infrastructure design/construction triggered upon design/construction initiation of private development

## Inadequate Financial Resources

- No liability to PDC if adequate TIF is not yet available at the time of a PDC funding commitment
- ZRZ may elect to fund infrastructure if PDC TIF is not available. PDC, at our discretion, may reimburse.

## Incomplete Private Projects

- ZRZ required to submit construction completion guarantee for each project
- Bond Avenue
  - If project delayed by six months, PDC may stop infrastructure construction
  - Requires Construction Financing Plan and Construction Schedule to reinitiate infrastructure construction
  - If private project not reinitiated, ZRZ to reimburse PDC for costs to date