



**Broadway Corridor Framework Plan &  
River District Financing**  
City Council - November 5, 2015

# Action Requested

- **Adopt the Broadway Corridor Framework Plan (*Resolution No. 1158*)**
- **Authorize an Intergovernmental Agreement to provide General Fund-secured interim financing for River District public improvement projects (*Ordinance No. 1159*)**
- **Authorize \$45 million of financing for carrying out River District Urban Renewal Area plan and authorize refunding of any interim financing (*Ordinance No. 1160*)**
- **Authorize \$90 million of interim financing for carrying out the River District Urban Renewal Area plan and long-term bonds to repay the interim financing (*Ordinance No. 1161*)**

# Opportunity



## ✓ Central City Growth – 2035

- ~21,500 new households
- ~42,500 new jobs

## ✓ USPS Site Redevelopment

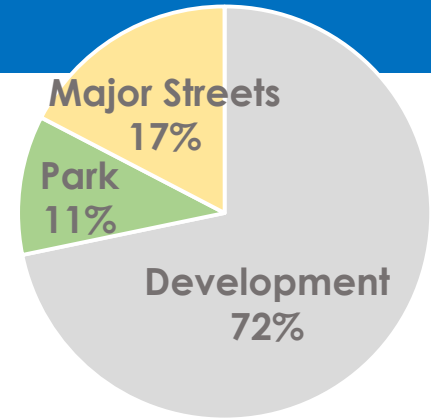
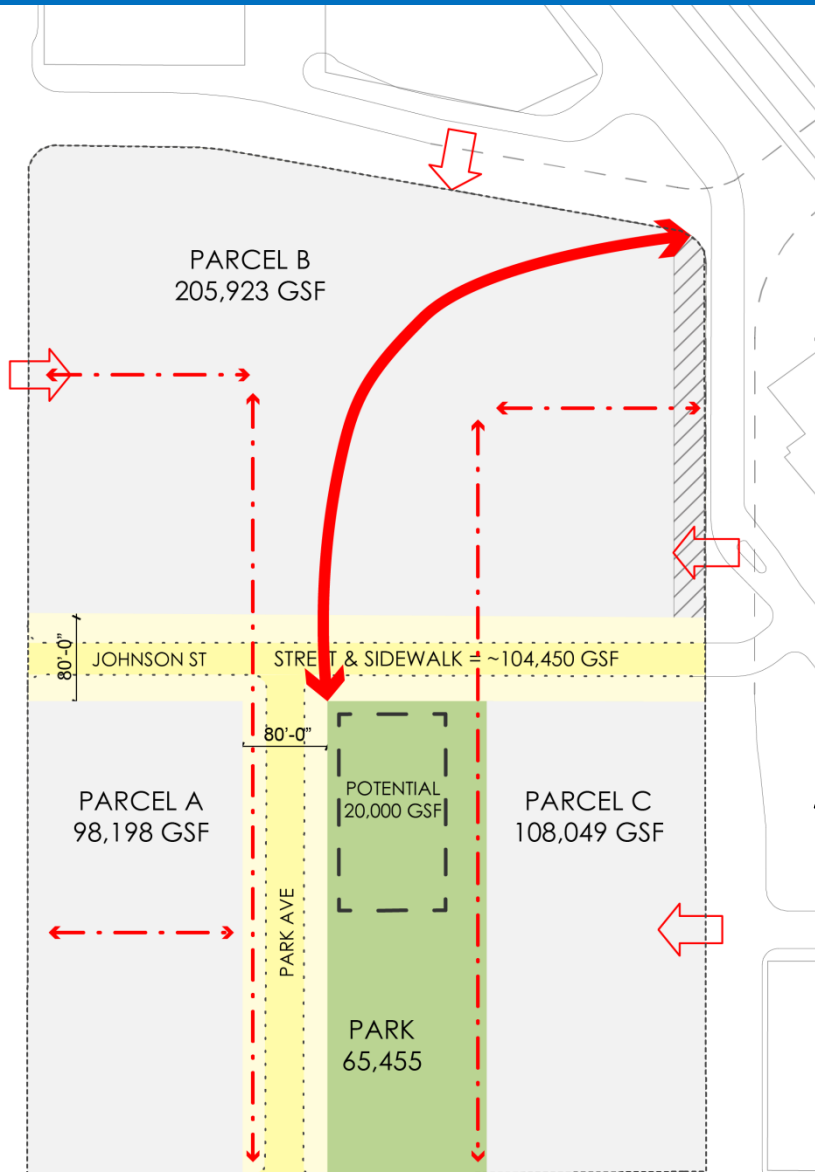
- ~2,400 new households
- ~4,000 jobs



# Strategic Framework



# Preferred Concept



## Streets

- Johnson Street & Park Avenue = 80' ROW

## Parks & Open Space

- Two new park blocks + 8<sup>th</sup> St and Irving St
- Green Loop
- Bridgehead/Viaduct activation

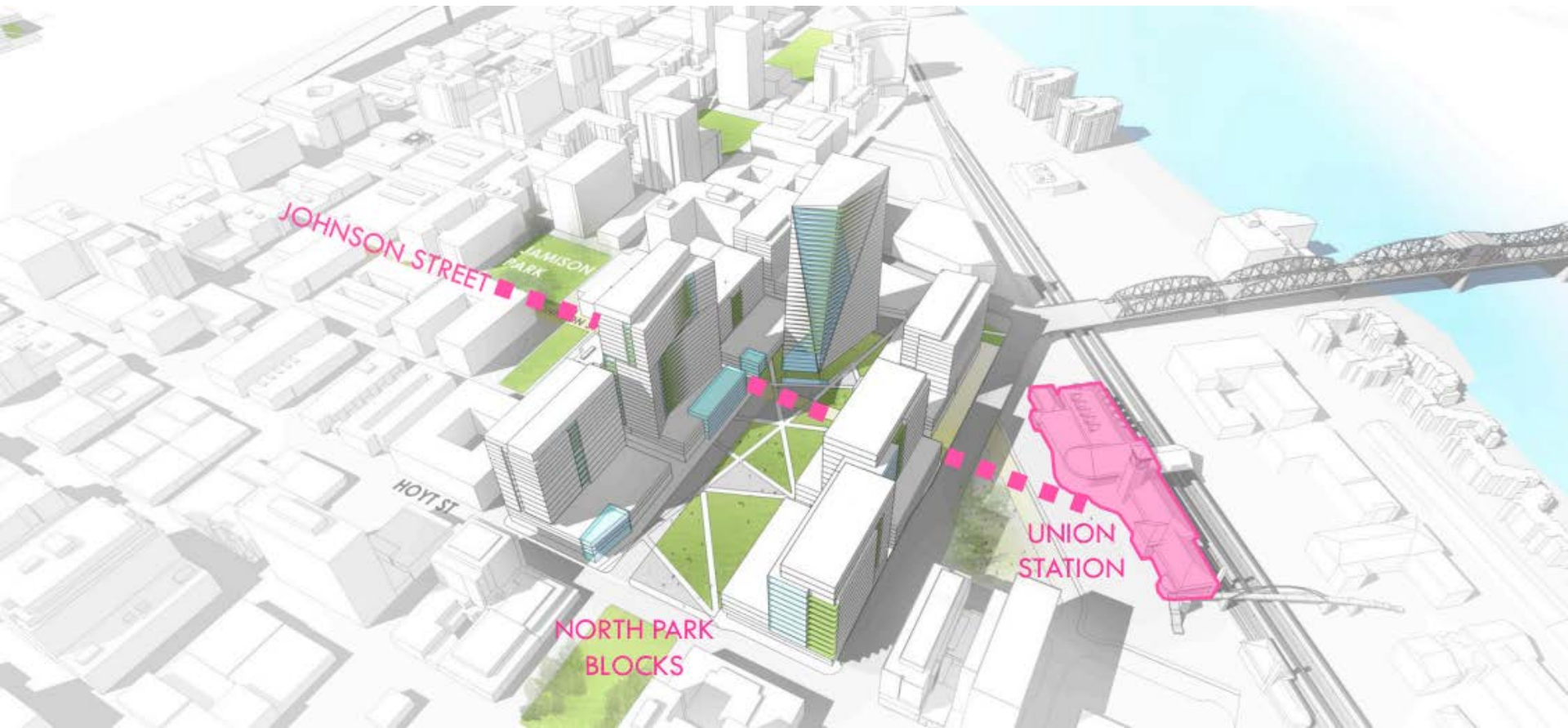
## Affordable Housing

- Financials modelled at 25% reservation of residential FAR
- Set aside commitment = 30% reservation of residential FAR

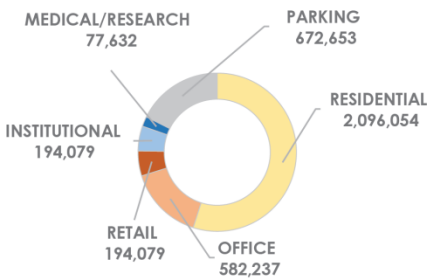
## Entitlements

- Increase to 7:1 FAR

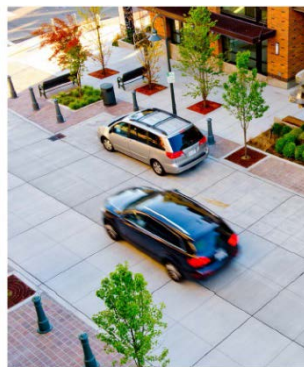
# Preferred Concept



## PROGRAM MIX

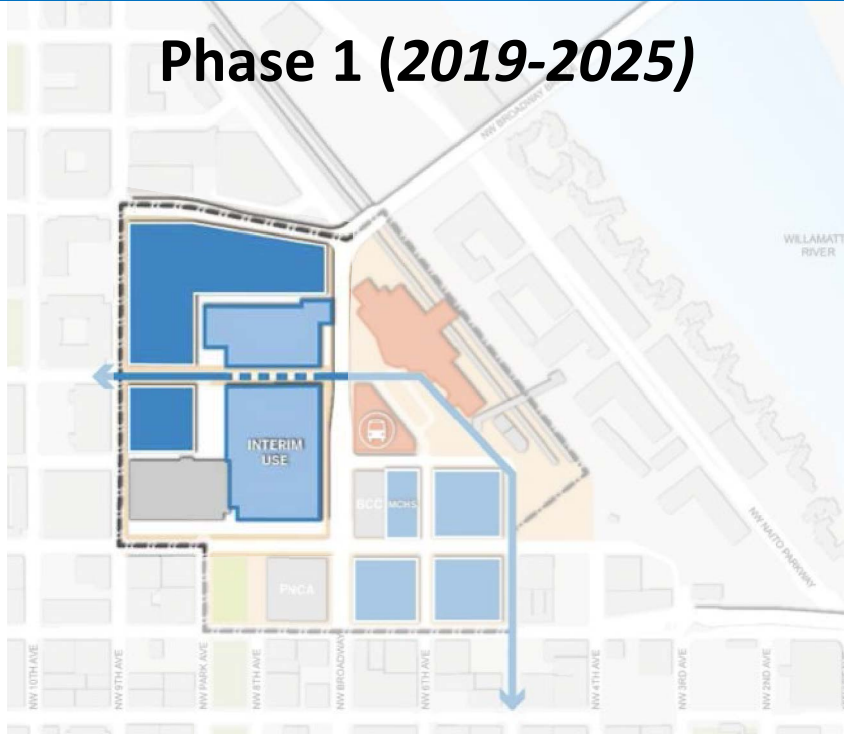


PREFERRED: 3,816,734 gsf



# Development Phasing

## Phase 1 (2019-2025)



- 1M SF residential = ~1200 units
  - ~300,000 SF for affordable housing
- 100,000 SF retail
- Full or partial reuse of USPS building
- Reuse of existing garage

## Phase 2 (2025 ->)



- 1M SF residential = ~1200 units
  - ~300,000 SF for affordable housing
- 100,000 SF retail
- 850,000 SF commercial
- Demolition of USPS bldg and garage



# Affordable Housing: 2015 Set Aside Policy Review Recommendations

## ***Combination of River District TIF debt proceeds and ownership interest in the Broadway Corridor/USPS acquisition equal to \$20 million***

- With USPS acquisition, PHB anticipates investing at least \$13M to acquire rights to develop affordable housing
- Secures PHB rights to approximately 30% of residential FAR
- PHB will determine whether and how to use the remaining \$7M, either at the USPS site or at another location in the River District Urban Renewal Area
- PHB will participate in development of the USPS site Master Plan and scoping a solicitation for the sale of the property
- PHB investment and development decisions will help deliver on the Master Plan requirements

# Sources & Uses

## Assuming Affordable Housing @ 30% Residential FAR

<b>SOURCES</b> <i>(Assumes PHB Affordable Residential FAR Acquisition ~\$13M)</i>	Phase 1	Phase 2
PDC Land Sales + TIF – Interim Financing repayment	\$27M	\$69M
Parks/PBOT SDCs	\$7M	\$12M
<b>Sources Subtotal</b>	<b>\$34M</b>	<b>\$81M</b>
<b>BASELINE USES</b>		
Streets	(\$13M)	-
Open Space/Green Loop	(\$9M)	(\$11M)
Site Demo	-	(\$10M)
<b>Sources – Uses Subtotal</b>	<b>\$12M</b>	<b>\$60M</b>
<b>ADDITIONAL USES</b>		
Additional Public Benefits	(\$ TBD)  <i>PNCA Park, Union Station, Plaza @ Union Station, District Systems, Affordable Commercial, etc.</i>	

# Next Steps

	2015	2016	2017	2018	2019 - 2022
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USPS Site Due Diligence →★ USPS Site Control/Purchase and Sale Agreement

Central City 2035 →★ FAR and Master Plan Requirements

USPS Replacement Facility Design & Construction →★ USPS New Facility GMP  
Final Acquisition Price

Development Solicitation/Agreement →★ Master Plan (FAR; height; Refined design & program)

USPS Relocation →

River District Site Prep and First Sale Complete →

★ City Council Action      ★ PDC Board Action

# River District Financing

- **Ordinance No. 1159: Authorize an Intergovernmental Agreement with the Portland Development Commission to provide General Fund-secured interim financing for River District public improvement projects**
  - Establishes security and terms between the City and PDC for repayment of the General Fund-secured interim financing;
  - Requires River District Program Income to be used to pay interim financing costs;
  - Requires proceeds from the sale of Post Office Property to be first used to repay interim financing.
- **Ordinance No. 1160: Authorize \$45 million of financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and authorize refunding of any interim financing**
  - Authorizes the issuance of bonds up to \$45 million for River District Public Improvement Projects;
  - Necessary since the cost of acquiring and redeveloping the Post Office along with other River District budgeted projects exceeds available resources currently available in the River District;
  - Bonds to be repaid per the terms identified in Ordinance No. 1159, Intergovernmental Agreement between the City and PDC.

# River District Financing

- **Ordinance No. 1161: Authorize \$90 million of interim financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and long-term bonds to repay the interim financing**
  - Authorizes the issuance of bonds up to \$90 million for implementation of PDC's projects and programs within the River District;
  - Proceeds will fund budgeted projects in PDC's FY 2015-16 Adopted Budget and Five-Year Forecast and for acquisition of the Post Office Property;
  - Secured by tax increment revenues; can be refinanced by long-term bonds that would be repaid by future tax increment revenues.

# River District Financing

	River District Tax Increment Financing (Ordinance 1161)	River District Program Income	Interim Financing (Ordinance 1160)
<b>Amount Authorized</b>	Not to exceed \$90M	N/A	Not to exceed \$45M
<b>Financing Instrument</b>	Interim bonds (line of credit) secured with City's full faith and credit (General Fund) and/or tax increment revenues	N/A; income from property and loan portfolio	Interim bonds (line of credit) secured with City's full faith and credit (General Fund)
<b>Paid off with</b>	Proceeds of tax increment bonds	N/A	Sale of Post Office Property
<b>Proposed uses</b>	Post Office Site acquisition Post Office Site remediation OT/CT Action Plan Multnomah County original commitment Affordable Housing	Will pay interim bond interest first	Post Office Site public improvements Centennial Mills selective demo 10 <sup>th</sup> & Yamhill garage Union Station Multnomah County amended commitment

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# Affordable Housing: 2015 Set Aside Policy Review Recommendations

***Combination of River District TIF debt proceeds and ownership interest in the Broadway Corridor/USPS acquisition equal to \$20 million***

	TIF Set Aside (FY 2015-16 thru FY 2025-26 Forecast)	Net Additional Housing Resources	
<b>SCENARIO 1. 30% Affordable Residential FAR Acquisition (~\$13M) + \$7M TIF</b>			
River District TIF ((\$27M existing + \$7M increase))	\$34M	\$47M	31%
Post Office Acquisition - 16% (30% of modelled residential FAR)	\$13M		

<b>SCENARIO 2. 30% Affordable Residential FAR Acquisition (~\$13M) + \$7M USPS Market Value Acquisition</b>			
River District TIF	\$27M	\$47M	31%
Post Office Acquisition - 25% (30% of modelled residential FAR + market-rate FAR)	\$20M		