



Broadway Corridor

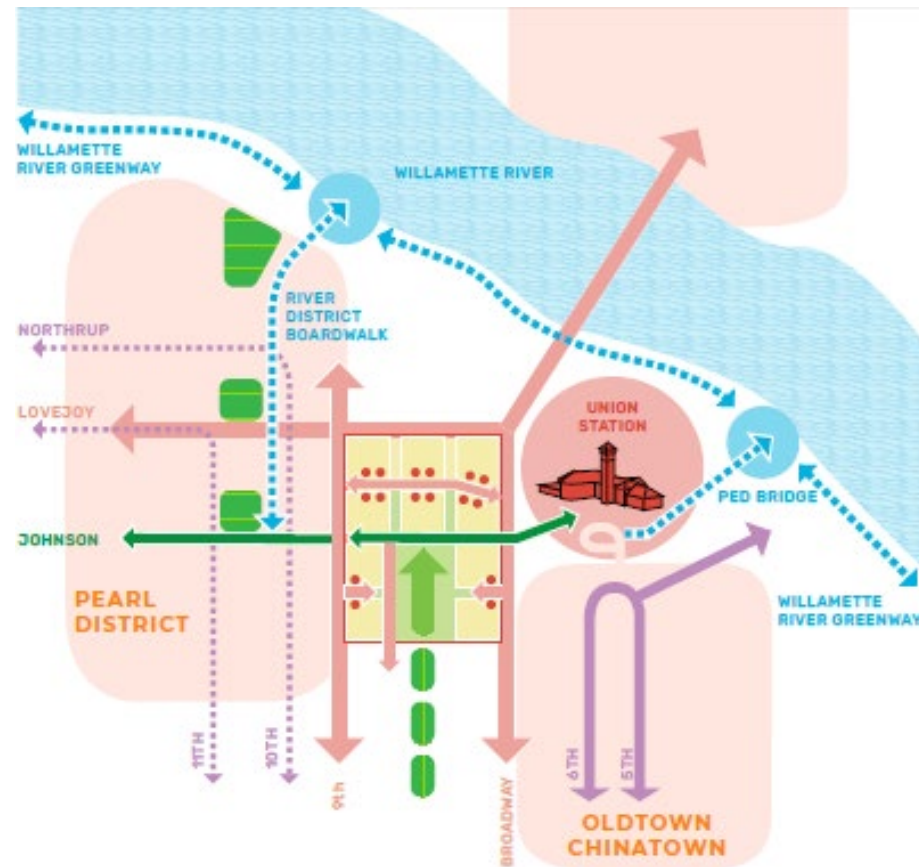
Authorization of Intergovernmental Agreements
July 19, 2023



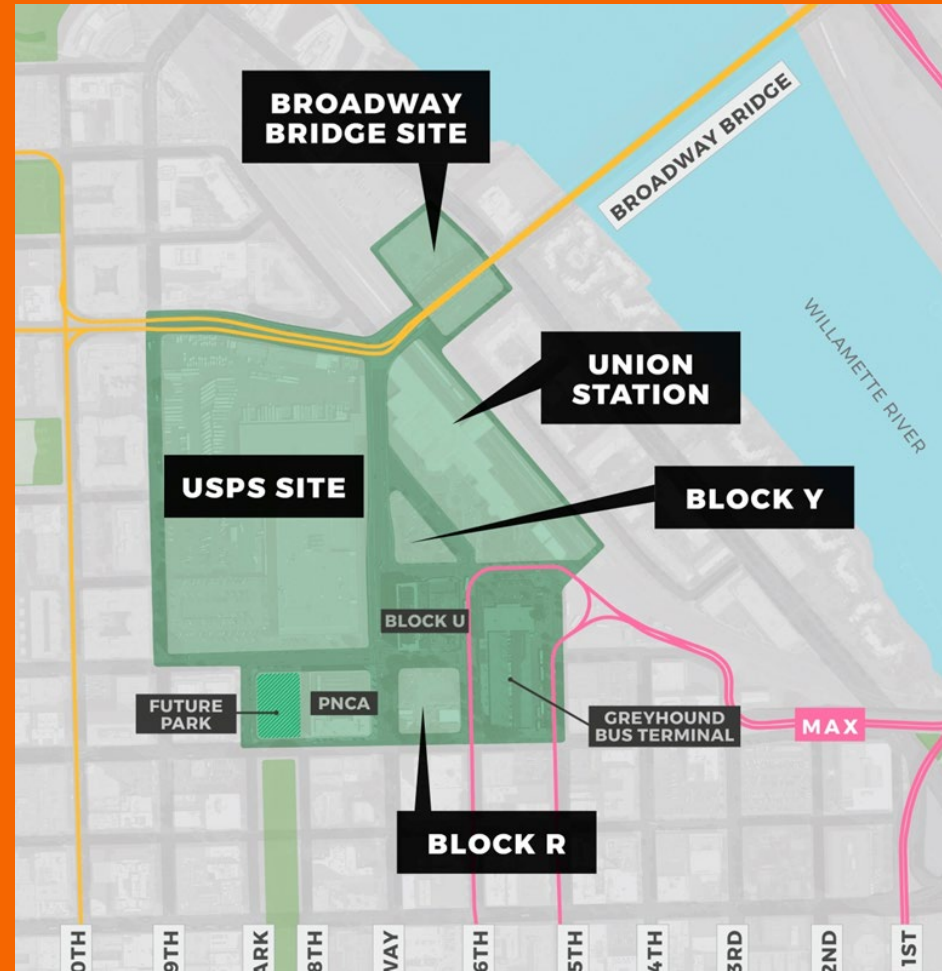
Action

Authorize two Intergovernmental Agreements (IGAs) necessary to further the redevelopment of the Broadway Corridor:

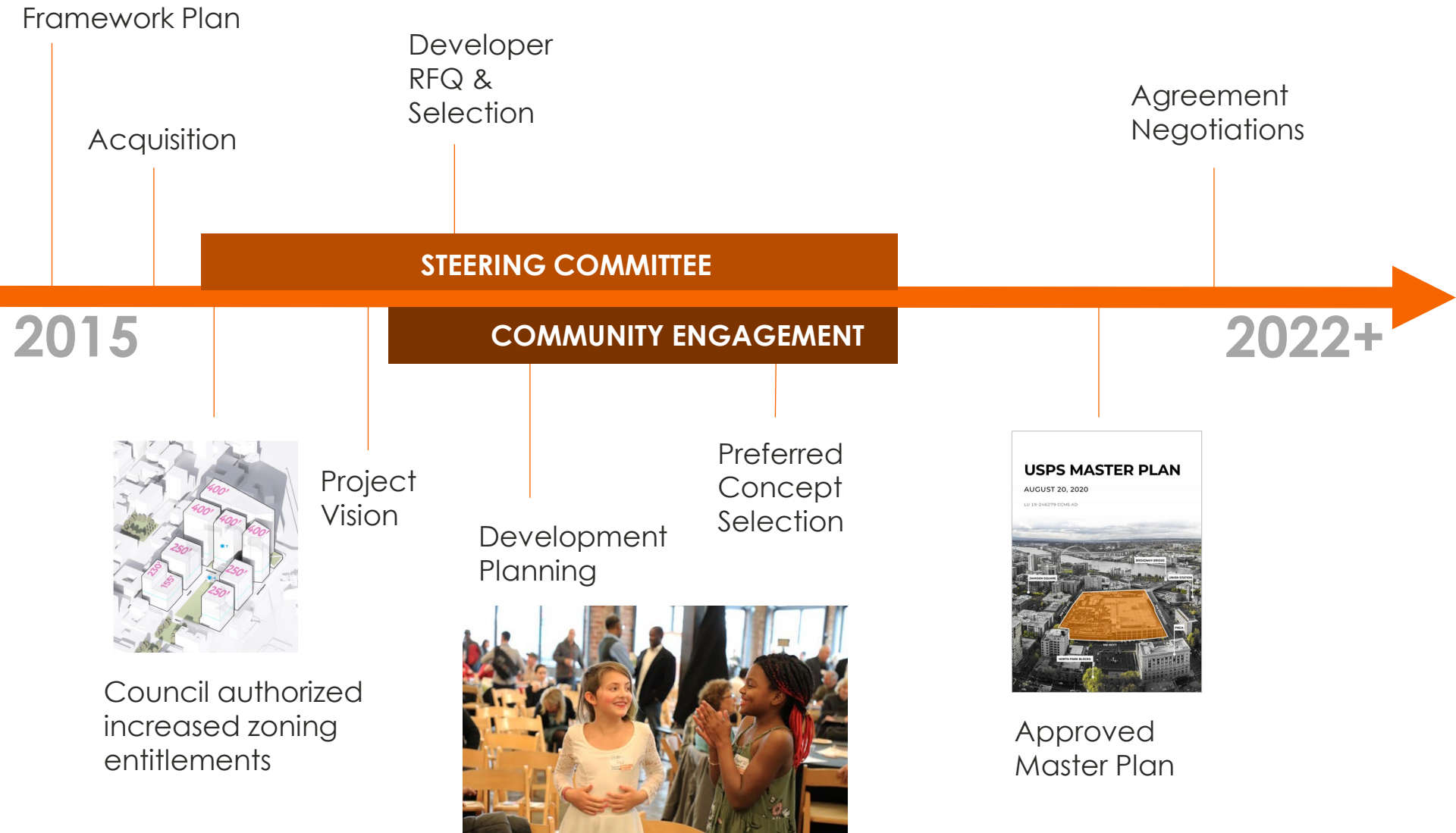
- 1. OMF/Prosper Portland:** restructuring and repayment of debt incurred by the City in support of the acquisition of the USPS Property and construction of new streets
- 2. PHB/Prosper Portland:** utilization of development rights for the purpose of delivering affordable housing units



Context & Background



Where We've Been



Implementation Authorizations



Master Plan Land Use Approval

Established required infrastructure, open space, min/max development density

- ✓ Approved by Design Commission August 2020



Funding & Finance Plan

Established public funding and finance for extraordinary site conditions and community benefits

- ✓ Funding & Finance Plan approved by City Council September 2020
- ✓ LID approved by City Council October 2020
- ✓ Infrastructure IGAs approved by City Council May 2022
- *Directed restructuring debt with General Fund support up to \$15M*



Disposition & Development Agreement + Community Benefits Agreement

Establish terms and conditions for private development and delivery of community benefits

- Negotiations Pending Development Partner(s)*

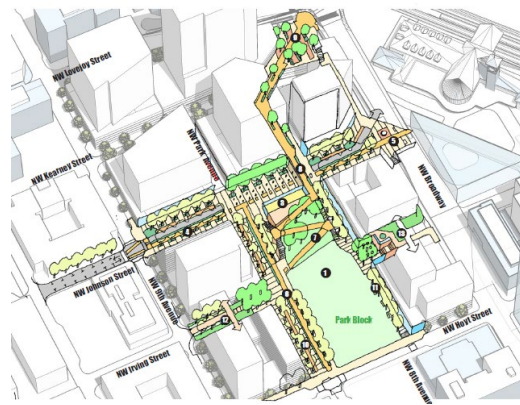
*Maintaining commitments on public demo and infrastructure projects

Public-Private Partnership



Prosper Portland

- *Site Acquisition & Preparation*
- *Vision & Master Plan*
- *Infrastructure Investment*
- *Community Benefit Negotiations & Delivery*
- *Private Development Transactions*



City of Portland

- *Master Plan Approval*
- *Infrastructure Investment, Contracting & Ownership; Community Benefit Delivery*
- *Debt Financing*
- *Affordable Housing Development Rights & Investment*

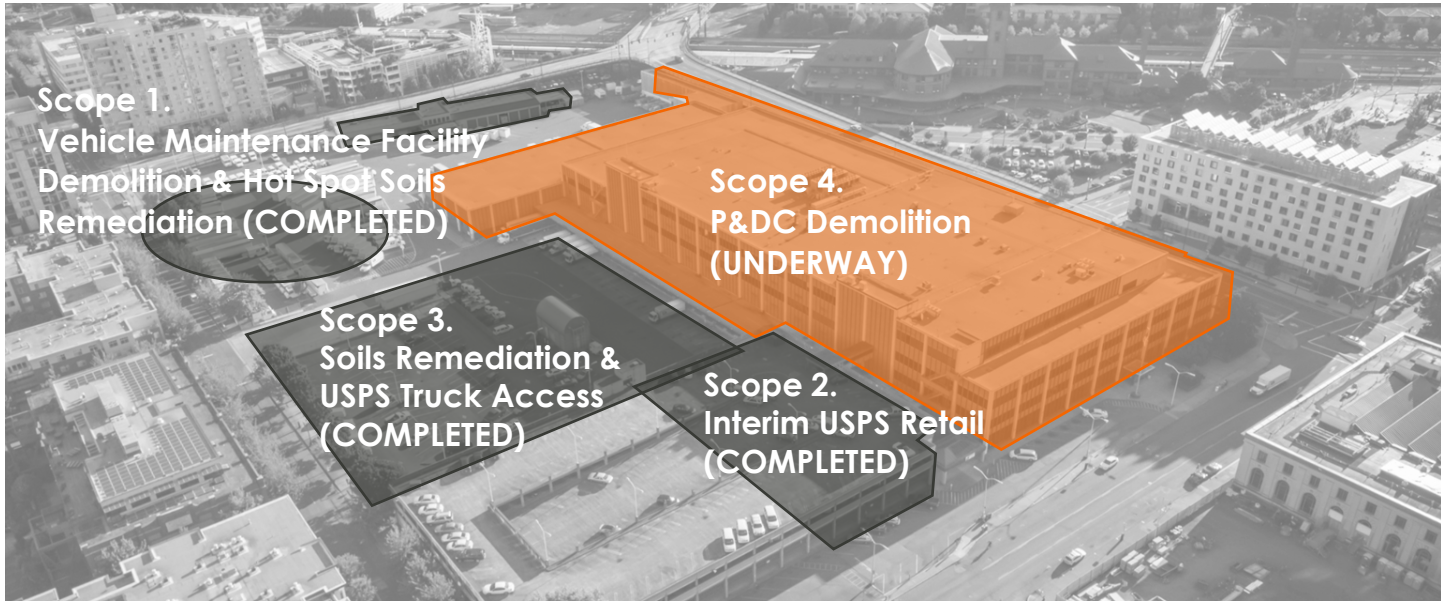


Vertical Developers

- *Market-rate Development (Prosper)*
 - *Inclusionary Housing*
 - *Infrastructure Investment*
 - *Community Benefits Delivery*
- *Affordable Housing Development (PHB)*
 - *Infrastructure Investment*
 - *Community Benefits Delivery*

Current Status

Demolition & Sitework (2020-2023)



Completed Projects (Scopes 1-3):

- 58% construction dollars have been earned by certified MBEs; Total Contract Value = \$5.8M
- 50% of hours were worked by BIPOC individuals

Demolition Project Underway (Scope 4)

- 97% construction dollars are contracted to certified MBEs; Contract Value = \$30.4M
- Workforce hours ongoing

Critical Path to Site Readiness

Site Prep (2021-2023)

- Demolition
- Soils Remediation

Ph. 1 Development (2024+)

- Affordable Housing Ph. 1
- Private Development
- Relocation of USPS Retail

Ph 2. Development (2030+)

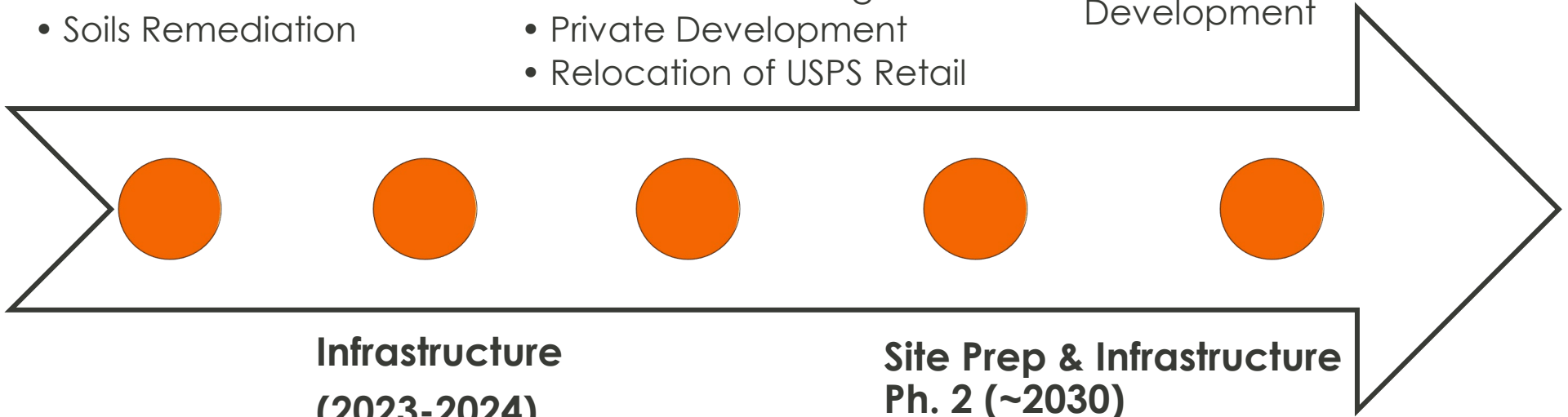
- Affordable Housing Ph. 2
- Remainder of Private Development

Infrastructure (2023-2024)

- NW Johnson & NW Kearney
- Off-Site Utilities

Site Prep & Infrastructure Ph. 2 (~2030)

- Garage Demolition
- NW Park Avenue
- Park
- Complete Green Loop



Related / Melvin Mark

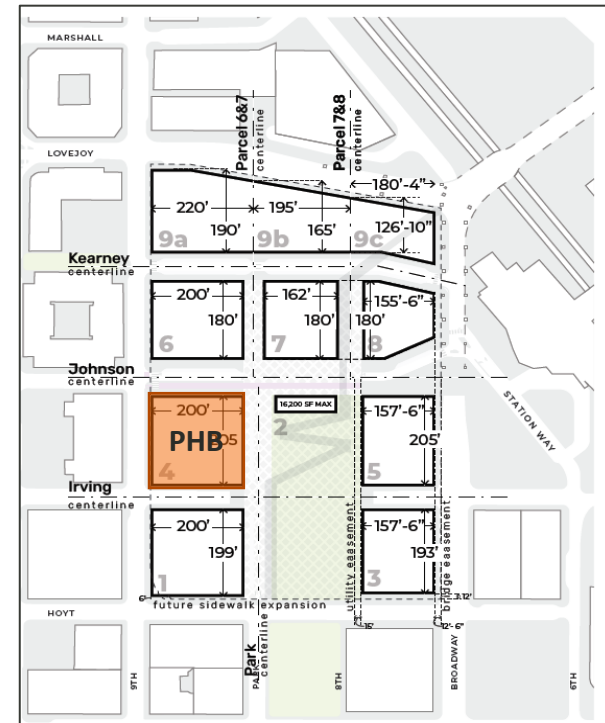
12-month Exclusive Negotiation Agreement

Prosper Portland

- Contribute \$50k match for certain predevelopment work
- Continued economic & market analysis and support for downtown, including Broadway Corridor

Related / Melvin Mark

- Commercial and residential development pro formas
- Assessment of CBA terms, including feasibility & financial concerns and impacts
- Participation in Open Space & Green Loop design and operations planning
- Phase 1 development proposal



Item No. 596

OMF Agreement: Background

2015 **OMF-Prosper Line of Credit to support Prosper in USPS Property Acquisition (City Council Ordinance No. 187434)**

2020 **Funding & Finance Plan Approval (City Council Ordinance No. 190146)**
Outlines financial contributions of the City and Prosper Portland to the construction of public infrastructure and open space required pursuant to the Master Plan

Infrastructure Local Improvement District Approval (City Council Ordinance No. 190180)

Funds construction of street, sidewalk, stormwater, sanitary sewer, water main, and off-site signal and intersection improvements

2021 **City refinances the 2015 Line of Credit by issuing 2021 Limited Tax Revenue Bonds (providing for the RD Indebtedness)**

2023 **Amended & Restated Intergovernmental Agreement with OMF**

*Outlines roles and responsibilities between OMF and Prosper Portland with respect to the **RD Indebtedness** and **Prosper Portland's share of the LID Debt***

City Authorization and Issuance of NW Johnston and NW Kearney LID Debt Financing (Winter 2023)

OMF Agreement: Key Terms

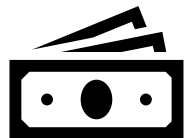


RD Indebtedness (\$22.8M)

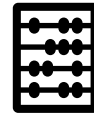
- Repayment from Prosper to City on the payment schedule set in the IGA
- Reduced repayment plan reflects \$15M of General Fund support as directed by City Council in Ordinance No. 190146
- Any land sales proceeds derived from the sale of properties acquired with proceeds of the original Line of Credit must be used in accordance with the applicable laws and regulations
- Prosper to continue updating OMF with funding plan and project developments



Primary repayment source will be proceeds from the sale of properties within the Broadway Corridor and program income



All legally available resources of Prosper serve as a secondary source of repayment

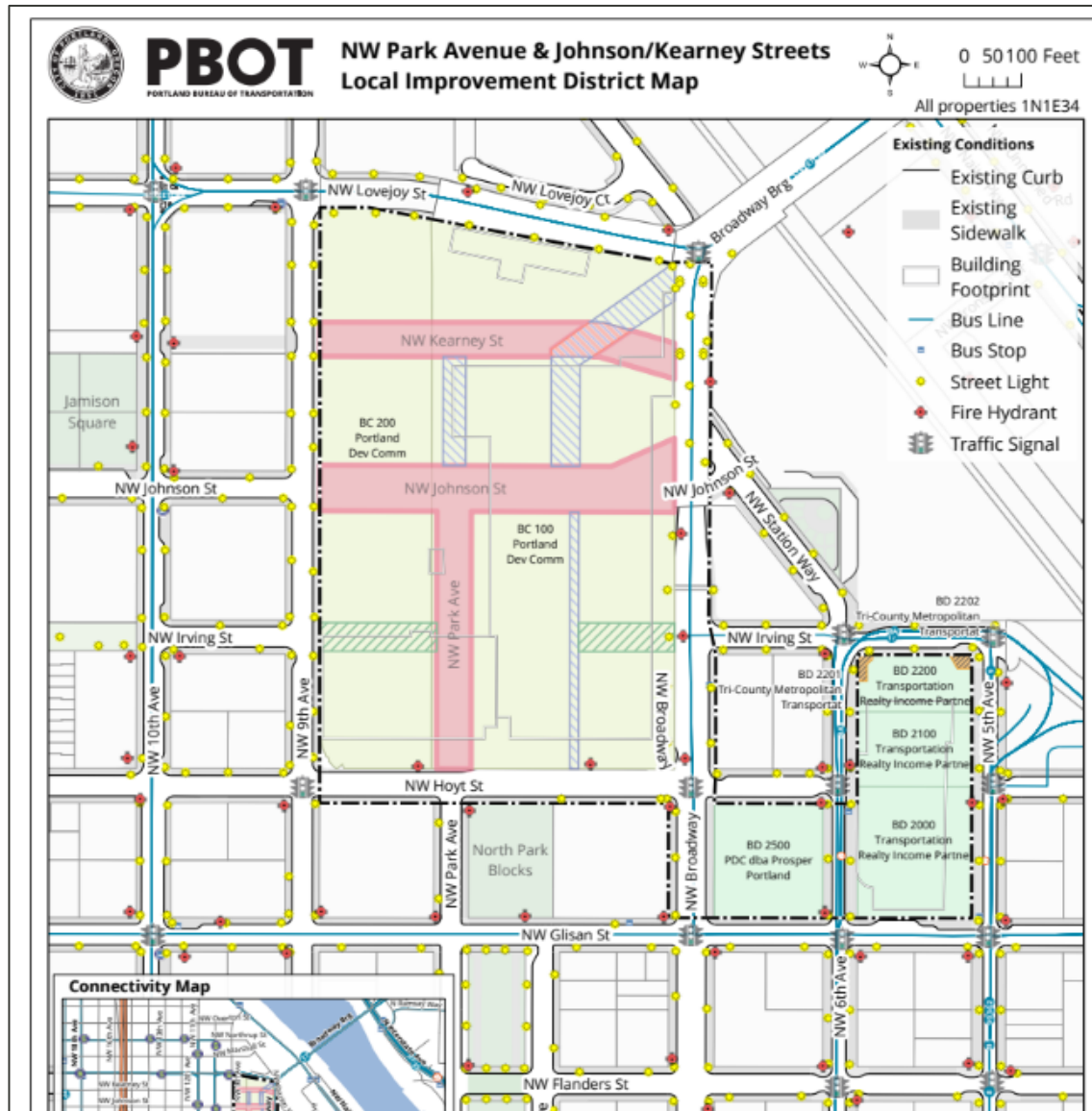


LID Debt (LID Interim Financing & Bonds)

- Final LID amount will be determined based on the final infrastructure and financing costs for NW Johnson /Kearney and NW Park Avenue
- Prosper Portland will cover construction interest payments for the entire LID Debt
- Prosper Portland will receive a credit against its Final Assessment for interest paid on behalf of properties not owned by Prosper
- Prosper Portland and other assessed property owners will make semi-annual payments on long-term LID bonds once issued, consistent with City's LID Program



Local Improvement District



Item No. 597

PHB Agreement: Background

- PHB contributed 16% of the USPS purchase price
- Contribution was based on the amount of floor area ratio (“FAR”) for affordable units
- 16% = 650,277 sq. ft. of FAR available under the USPS Master Plan

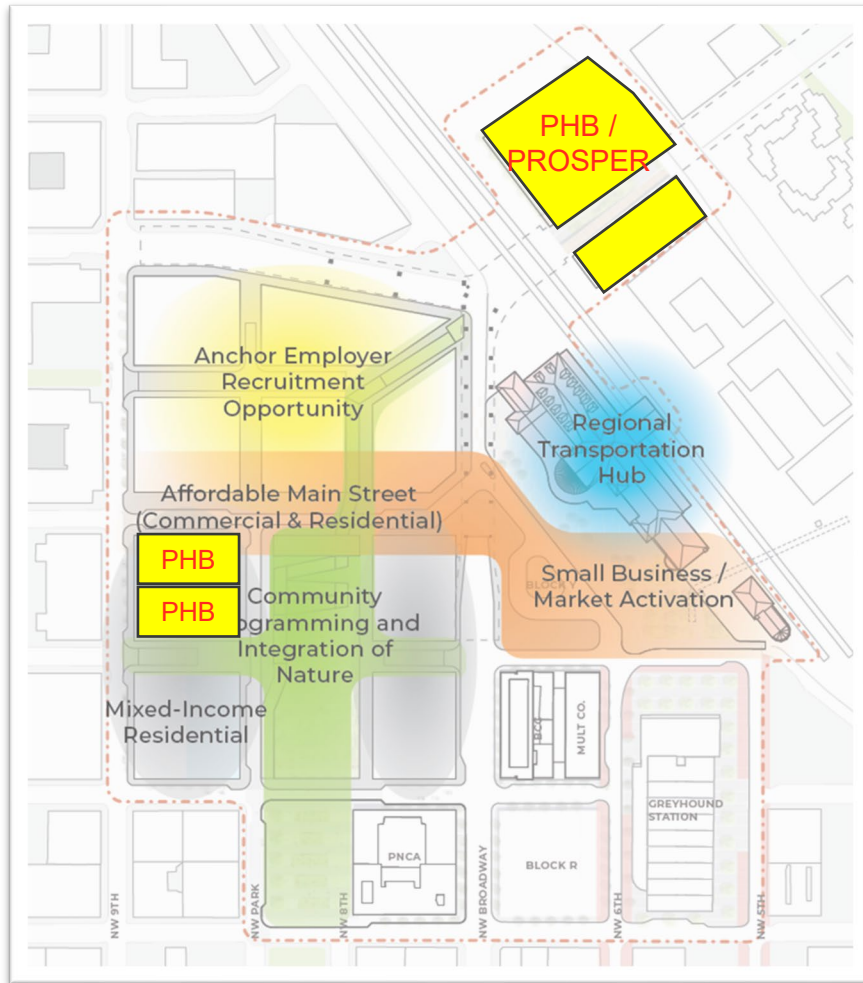


PHB Agreement: Key Terms

- Affordable Housing Metric = 720 units within Broadway Corridor via PHB's direct delivery + Inclusionary Housing via private development
- PHB to control 390,200 sf on Parcels 4 A&B (subject to modification)
- PHB to contribute 260,077 sf FAR to IH Bonus requirements; Prosper to provide all additional IH Bonus FAR required
- Prosper to provide 1 Waterfront Property for the purpose of meeting requirement of 720 units as needed

PHB Parcel Selection

Full Block 4 (2 Half Blocks) + 1 Waterfront Site

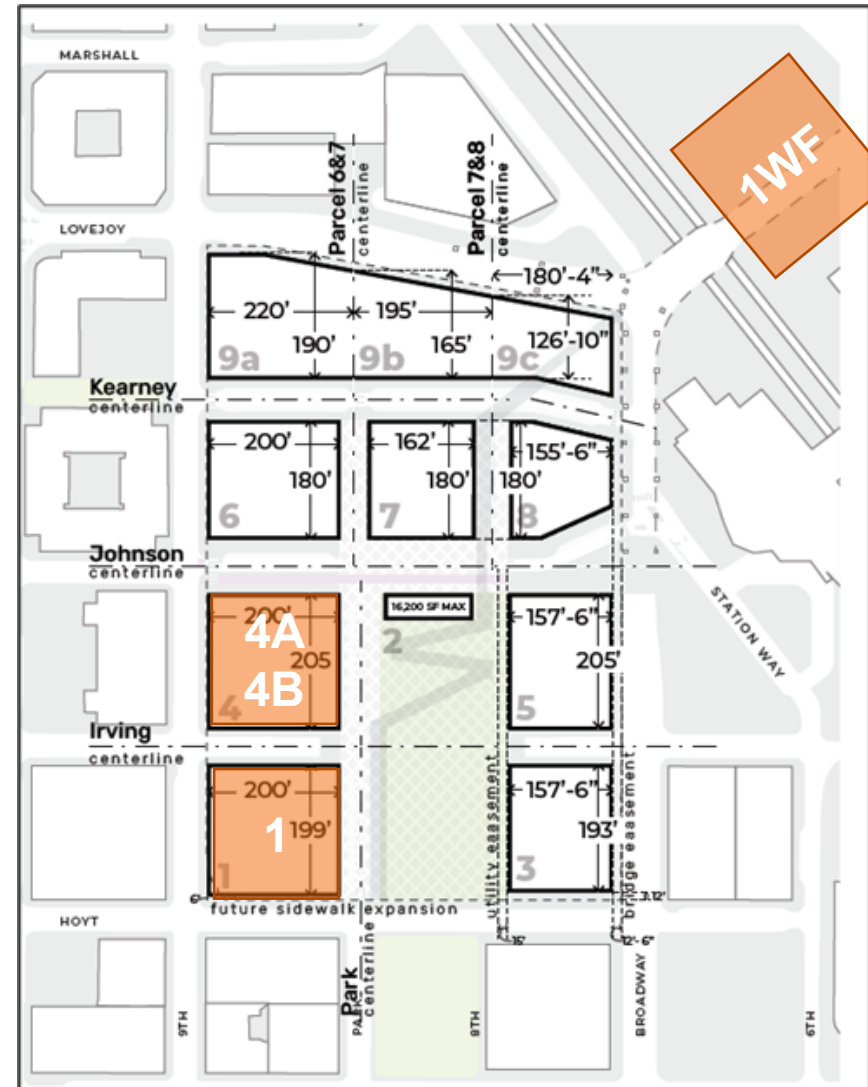


Values & Goals

- ✓ Meets shared goal of 720 affordable housing units
- ✓ Allows a range of household types (family-sized units, senior living)
- ✓ Maximize connectivity and proximity to site amenities and public spaces
- ✓ Ability to lead with Phase 1 development
- ✓ Site Control – Top to Bottom
- ✓ Constructability and Development Feasibility

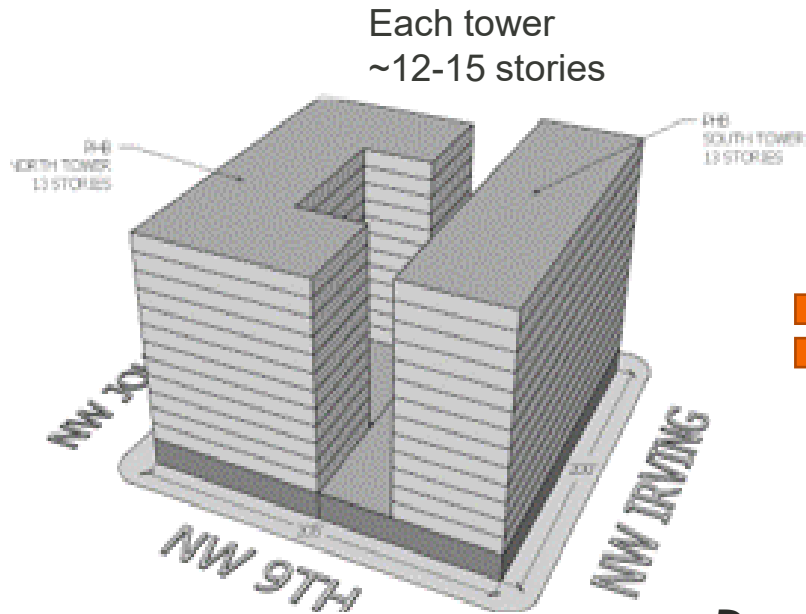
PHB Development Parcel

- PHB to secure **Parcel 4A** for an initial phase of affordable housing development
- PHB to secure **Parcel 4B** in a future phase – after demolition of existing parking garage
- Potential for **additional/alternative sites**:
 - PHB securing resources for a second phase of affordable housing prior to the demolition of the existing parking garage (Parcel TBD)
 - Mutual re-evaluation of site selection (Portion of Parcel 1)
 - Insufficient delivery of affordable units on USPS site (1WF)

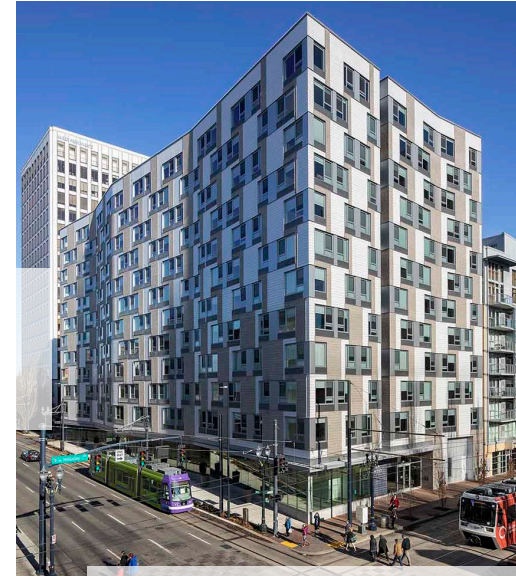


PHB Parcel Selection

Full Block 4 (2 Half Blocks)



= 2x



Picture courtesy of Jeremy Bitterman

Development Example: Louisa Flowers project

- ✓ 12 story building, including ground floor retail/support services
- ✓ 240 units (mostly studio, plus some 1 and 2-bedroom units)

Next Steps

Summer 2023	Commence Open Space 30% Concept Design (Parks Bureau)
Fall 2023	Construct “off site” Water and Sewer Infrastructure to Serve the District (BES) City Council Authorization of LID Interim Debt Financing (OMF/PBOT)
Winter 2023	Complete Demolition (Prosper Portland) Assess Development Feasibility & Partnership (Prosper Portland/Related) Issue Phase 1 Affordable Housing NOFA (PHB)
Spring 2024	Commence Street Construction (PBOT)



Discussion