

IMPACT STATEMENT

Legislation title: Adopt the Broadway Corridor Framework Plan as the guiding document for future development of properties located in the study area adjacent to the Broadway Bridge, including the United States Postal Service site (Resolution)

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Purpose of proposed legislation and background information:

This proposed action by the Portland City Council (City Council) will adopt the Broadway Corridor Framework Plan (Framework Plan). If adopted, the Framework Plan will guide: 1) the strategic vision for development of the broader 24-acre Broadway Corridor study area; and 2) the City's preferred development concept in preparation for a future Master Plan for the 13.5-acre United States Postal Service (USPS) Processing and Distribution Center located at 715 NW Hoyt Street (USPS site), should the Portland Development Commission (PDC) be successful in acquiring the property. The objective of the Framework Plan is to provide greater certainty regarding PDC's and the City's development objectives and densities, desired public investments, and the financial capacity to meet those objectives and investments, with a particular focus on the USPS site.

The Broadway Corridor study area encompasses several PDC-owned properties, including the historic Union Station (Portland's primary multi-modal transportation hub) which PDC aims to further activate as a gateway to the city and surrounding neighborhood. On the western half of the study area, PDC is in negotiations with the USPS to acquire its 13.5-acre USPS site, which would be a crucial redevelopment anchor. Acquisition and redevelopment of the USPS site is a once-in-a-generation opportunity for PDC and the City to jointly meet affordable housing, economic development, redevelopment, transportation, and open space goals on a large, contiguous property in the middle of downtown and adjacent to Portland's regional transit hub. The USPS site is identified in the West Quadrant Plan, adopted by City Council on March 5, 2015, as a key opportunity site for high-density employment and signature city attractions, connecting the Old Town/Chinatown and Pearl District neighborhoods. The West Quadrant Plan calls for PDC to work on behalf of the City to "relocate the US Post Office and redevelop the site with a wide mix of urban uses including employment" and further requires a Master Plan as part of redevelopment of the USPS site. The Framework Plan provides a foundation from which to develop the Master Plan should acquisition negotiations be successful. Negotiations between PDC and USPS are ongoing and are targeting a proposed purchase agreement and approach by the end of 2016.

Fundamental to the USPS site transaction and redevelopment is a balance of public benefits, land value, and private redevelopment to generate sufficient value and private investment to leverage to pay for desired public improvements. In order to generate sufficient return, development of the 13.5 acre USPS site is projected to have to provide almost 4,000,000 square feet of floor space: a floor area ratio (FAR) approaching 7:1 across the site. The site is currently entitled with

a FAR of 4:1. The West Quadrant Plan recommended an increase in maximum height to 250 feet, and as currently modelled certain portions of the site may seek to exceed this limit. The Bureau of Planning & Sustainability will seek approval of the Central City 2035 Plan in mid-2016, including potential adjustments to development entitlements together with any related Master Plan provisions for the USPS site. Completion and approval of the Master Plan will be required prior to redevelopment of the USPS site at an increased development density.

Affiliated initiatives to this action include authorizing a financing approach as jointly proposed by the Office of Management and Finance and PDC associated with the potential acquisition and future redevelopment of the USPS site, including PDC securing financing (Interim Bonds) from the City of Portland in addition to tax increment financing (TIF) resources from the River District Urban Renewal Area (URA).

PDC staff participated in a work session with City Council regarding the Framework Plan and financing considerations on September 17, 2015.

Financial and budgetary impacts:

Adoption of the Framework Plan does not have any direct budgetary impact or create a financial obligation for the City. Direct financial and budgetary impacts related to the interim financing approach associated with USPS site acquisition are contemplated under a separate and concurrent action.

As modelled, acquisition and redevelopment of the USPS site at increased entitlements has the capacity to provide additional resources for a range of public investments, including streets, open space, and affordable housing. Public investments will be implemented in phases in coordination with private development and land sales transactions.

It should be noted that while the Framework Plan as vetted with the public and various stakeholders modeled securing a baseline of 25 percent of residential development rights for affordable housing targeting 0 to 60 percent median family income (MFI) households, the Central City 2035 Plan expresses a goal for 30 percent of all new units targeting affordability at 0 to 80 percent MFI. Based on further discussions with City Council and the Planning and Sustainability Commission, PDC and PHB staff have completed further analysis to increase the reservation to 30 percent of residential development rights (or FAR) for affordable housing, or approximately 720 units. Additional resources will need to be identified by PHB to subsidize the construction of the affordable units.

Modelled public investments, which could occur via TIF, property sales income, or related System Development Charge generated from adjacent development, include the following baseline benefits:

Multi-Modal Streets on Johnson Street and Park Avenue	\$14.0 million
Extension of two North Park Blocks	\$16.5 million
Regional Green Loop pedestrian and bicycle connection	\$4.5 million
Acquisition of approximately 628,000 sf of development rights for the Portland Housing Bureau (PHB) to provide affordable housing (represents 30% of modelled residential units)	\$13.0 million

Urban design details and cost estimates for the above public investments will be further refined in a future Master Plan. Intergovernmental Agreements and/or Development Agreements will also be negotiated if acquisition and development of the USPS site progresses.

Community impacts and community involvement:

The Framework Plan was developed with significant public and partner engagement. A Technical Advisory Committee composed of City staff participated to provide technical information and perspective based on multiple City interests in the area. A Stakeholder Advisory Committee, composed of public, nonprofit, and private partners, provided community and regional insight to ensure that future development serves both the adjacent neighborhoods and broader Portland interests.

Input was also sought through a series of regional public engagement efforts, including public open houses; online and social media advertising; a series of online surveys; and one-on-one interviews conducted regionally at major public transportation stations at the Lloyd Center, Hollywood, 82nd Avenue, Gateway, 122nd Avenue, Parkrose/Sumner and Cascades, at North Portland's Overlook Park during Movie in the Park night, and at the Portland Saturday Market. These interviews aimed to capture a broader range of feedback on the project, particularly from those communities who may be underrepresented in traditional public participation forums. Through various forums, tools, and techniques, approximately 1,000 points of engagement occurred resulting in feedback on the Framework Plan. Key themes highlighted through this process include:

- Allow more height to gain more density and absorb growth: In general, public feedback supported pursuing higher density development, including a tower at the northern end of the site and balancing denser development with public spaces that engage Union Station and the North Park Blocks.
- Provide good bicycle/pedestrian connections: Strong support was received for ensuring a "green loop" connection from the site to the Broadway ramp "Y" and maintaining accessibility through the private development parcels with bike and pedestrian pathways.
- Create visual and physical links to Union Station and activate under the Broadway Bridge: Johnson Street was highlighted as an important connection visually and physically between Union Station and the Pearl District park series include Jamison Square, Tanner Springs, and Fields Park.
- Ensure new public spaces are comfortable for all Portlanders: It was emphasized that the site should serve a mixed-income community to create a safe and welcoming environment that could serve as an attraction for the broader region in addition to the immediate neighborhood.

Stakeholder feedback was used to craft the strategic vision and Guiding Principles for redevelopment of the broader 24-acre study area; inform the preparation and refinement of preliminary development concepts for the USPS site; and define Measures of Success for implementation of the Framework Plan.

A preferred development concept for the USPS site, including phasing, development program, density, and urban design was prepared based on stakeholder input together with the financial feasibility and transportation impact findings. Key attributes of the preferred concept include:

- Program Mix: The total forecasted development is 3,800,000 gross square feet and is programmed one-third commercial, two-thirds residential. A baseline of twenty-five percent of residential square footage is reserved for affordable housing. Interim reuse of the existing USPS building and parking structure is assumed in the first phase. All parking is assumed to be above-grade to minimize risk and expense associated with environmental remediation.
- Development Entitlement: The preferred concept reflects an increased Floor Area Ratio from 4:1 to 7:1; and increased height in certain portions of site from 250 feet to up to 400 feet.
- Urban Design: The proposed public realm includes two new park blocks (65,000 square feet); extension of Johnson Street and a portion of Park Avenue through the site (80-foot width; 104,000 square feet); access from the Broadway Bridge into the site via extension of the Green Loop bike and pedestrian path through the site; and activation of the Broadway bridgehead, viaducts, and Union Station public space.

Measures of Success were also established to ensure the future Master Plan, development solicitations, and other decisions delivered appropriate public benefits and value on the site relative to the required public investment. These measures include:

- Public Realm & Transportation
 - Parks
 - North Park Blocks extension – 2 blocks
 - “Exchange Place” under and adjacent to Broadway ramp near Union Station
 - 20,000 square foot overlook plaza at Broadway Y
 - 20% tree canopy coverage (~ 2.5 acres)
 - Pedestrian/Bike/Auto Connections
 - Multi-Modal Streets on Johnson Street and Park Avenue
 - Regional Green Loop pedestrian & bicycle connection
 - Protected bikeways on Broadway & Lovejoy Street
 - Pedestrian/local connections within and through private parcels
 - Commute Trip Goals
 - 85% non-single occupant vehicle (SOV) mode split (Auto <15%; Bike 25%; Pedestrian 20%; Transit 40%)
- Sustainability
 - Water Use: 50%+ reduction in potable water use
 - Energy Use: 50%+ reduction below American Society of Heating, Refrigerating, and Air-Conditioning Engineers standards
 - Waste: 85% Landfill Diversion
 - Transportation: 85% Non-SOV Mode Split
 - Carbon Goal: Net Zero by 2030
- Shared Prosperity
 - Mixed Income Community

- A baseline of at least one of every four residential units are affordable to low to moderate income households
- Commercial space for firms with a middle income wage or higher (\$42,000+/year)
- Commercial space for firms owned by underrepresented populations in Portland looking to grow in the Central City
- Contracting: 20+% of construction and professional services costs performed by Minority-Owned, Women-Owned, Disadvantaged and Emerging Small Businesses
- Job Density
 - 300+ jobs per acre, on par or better than the Central Business District
 - 4,000 jobs in final build-out
- Return on Public Investment
 - Private investment leverage
 - Property tax generation

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Saltzman amendments

1158 TIME CERTAIN: 2:00 PM – Adopt the Broadway Corridor Framework Plan as the guiding document for future development of properties located in the study area adjacent to the Broadway Bridge, including the United States Postal Service site (Resolution introduced by Mayor Hales) 1 hour requested for items 1158–1161

1158 AMENDMENT:

BE IT FURTHER RESOLVED, the City asserts that future development within the study area should include a significant number of affordable housing units and that the development approach should be consistent with the Central City 2035 Plan's goal of 30% of all new units targeting affordability at 0-80% of median family income given that tax increment set-aside money is for 0-60%.

***1159** Authorize Intergovernmental Agreement with the Portland Development Commission to provide general fund-secured interim financing for River District public improvement projects (Ordinance introduced by Mayor Hales)

AMENDMENT**Exhibit A – Section D.**

5. So long as Interim Financing or Takeout Financing is outstanding, PDC shall not:
 - a) Take actions that will reduce or restrict sources of program income that secures PDC's repayment obligations unless agreed to by the City in writing.
 - b) Create covenants, restrictions or encumbrances on the use of the Post Office Property, except for a commitment to affordable housing described in the memorandum entitled "PDC-PHB USPS Affordable Housing," dated October 23, 2015, attached and incorporated hereto as Exhibit 1, that will further reduce PDC's ability to gain the highest market value unless agreed to by the City in writing. PDC shall abide by all its obligations in the PDC-PHB USPS Affordable Housing, Exhibit 1. memorandum unless its obligations are changed in writing as authorized by the City Council.