



Request for Proposals (RFP)

REDEVELOPMENT OF THE
ODOT Blocks

Issued: December 21, 2017



**PROSPER
PORTLAND**
Building an Equitable Economy

RFP Instructions

1. PROPOSALS DUE: FEBRUARY 28, 2018 BY 5:00 PM (PACIFIC TIME)

2. INFORMATIONAL PRE-PROPOSAL MEETING:

An optional informational pre-proposal meeting and site tour will be held:

January 12, 2018, 2:00 - 3:30 pm

Prosper Portland
222 NW Fifth Ave., Portland, OR 97209

Please RSVP at odotblocksinfo.eventbrite.com if you are interested in attending.

3. RESTRICTION ON COMMUNICATIONS

After this RFP has been issued and before a developer has been selected, direct all questions and comments regarding this RFP to Geraldene Moyle (moyleg@prosperportland.us).

Interested parties must not solicit information on this RFP from members of the Portland City Council, Prosper Portland's Board of Commissioners, or any Prosper Portland or City employee not specifically named in the RFP, except upon invitation by Prosper Portland in a formal interview. Doing so may result in rejection of the proposal. Prosper Portland will not hold "one-on-one" meetings with any interested party during the RFP process outside of formal interviews.

4. QUESTIONS AND ADDENDA:

Questions about any matter contained in this RFP should be emailed to Geraldene Moyle (email to: moyleg@prosperportland.us).

The deadline for questions regarding the RFP is February 1, 2018.

All material changes or clarification of any matter contained in this RFP will be published in the form of a written addendum to this RFP at this location on Prosper Portland's website: ProsperPortland.us/bids. Prosper Portland may make a courtesy effort to notify interested parties that an addendum has been published but is under no obligation to do so. As such, parties interested in the RFP should refer frequently to the website for this RFP. Prosper Portland may also load supplemental information about this project to that location.

5. SUBMITTAL INSTRUCTIONS:

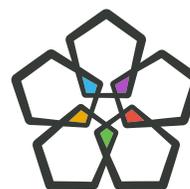
The focus of this solicitation is on proposals for development. Those interested in submitting a proposal to the RFP (Proposers) should address the Submittal Requirements outlined in Section 7. Submittals will be evaluated against the evaluation criteria listed in Section 8.

Proposals—by mail or email—are due at Prosper Portland's office no later than the date and time listed above. In an effort to reduce the amount of paper used as part of this RFP, proposals that do not exceed five megabytes (5 MB) may be delivered via email in Microsoft Word (.doc) or Adobe Acrobat (.pdf) format to Geraldene Moyle at moyleg@prosperportland.us. Proposals that exceed 5 MB should be delivered to Prosper Portland on a thumb drive (in .doc or .pdf format) in a sealed envelope addressed to Geraldene Moyle. Proposers who email their proposal should follow up with a phone call if receipt of their proposal is not confirmed prior to the proposal deadline.

Prosper Portland has not set a specific page limit for proposals. However, we request that proposals are thorough but also concise without unnecessary content.

Submit responses to:

Geraldene Moyle
Prosper Portland
222 NW Fifth Avenue
Portland, Oregon 97209-3859
Phone: 503-823-3420
E-mail: moyleg@prosperportland.us



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Executive Summary

Through this Request for Proposals (RFP), Prosper Portland, the economic development and urban renewal agency for the City of Portland, Oregon (City), is seeking proposals from qualified developers to redevelop three parcels in Southeast Portland recently purchased by Prosper Portland from the Oregon Department of Transportation (ODOT), collectively known as the “ODOT Blocks” or the “Property.” The vacant Property totals 2.19 acres and is located on SE Water Avenue between SE Taylor Street and SE Madison Street in Portland’s Central City, Central Eastside neighborhood, and the Central Eastside Urban Renewal Area (CES URA).

The goals for the redevelopment of the Property include:

- **Industrial Mixed-Use:** For the project to include ground floor industrial space, with a preference for an affordability component to that space; ground floor retail space as allowed by code; and industrial or industrial office space on upper floors to maximize employment.
- **Maximize Development Potential:** For the redevelopment project to maximize the development potential of the Property given the level of public financing available.
- **Parking:** For the project to provide parking at the maximum entitlement allowed, with excess entitlement not allocated to on-site uses to be available for public parking. Prosper Portland will retain ownership of the public parking component. Any parking provided must be designed to be repurposed for future use.
- **Public Realm:** For the project to consider how it relates to adjacent properties and connections to the Vera Katz Eastbank Esplanade.
- **Compatibility:** For the redevelopment to be consistent with the anticipated [Central City 2035 \(CC2035\) zoning regulations](#)¹ and Prosper Portland’s five-year [Strategic Plan](#)², and to further the development objectives of the Central Eastside Urban Renewal Area Plan, which focuses on improving the condition and appearance of Portland’s Central Eastside by eliminating blight and



blighting influences, expanding and improving public facilities, and stimulating private investment and economic growth.

- **Timeliness:** For the redevelopment to be carried out as expeditiously as possible and to commence construction by early 2019. The project may be phased.
- **Public Financing:** For the redevelopment project to minimize the amount of public financing needed while accomplishing the above stated goals.
- **Partnering:** for the project to demonstrate robust partnerships with an emphasis on equity in design, construction, and operations.

Prosper Portland expects the developer selected through this RFP (Developer) to negotiate a Memorandum of Understanding with Prosper Portland for the project. The MOU will generally define roles, responsibilities, contingencies, and commitments of the Developer and Prosper Portland. Upon successful negotiation, Prosper Portland and the Developer may enter into a Purchase and Sale Agreement (PSA), Disposition and Development Agreement (DDA), or other agreement outlining in detail the terms and conditions of the redevelopment of the Property.

¹ <https://www.portlandoregon.gov/bps/47907>

² <http://prosperportland.us/wp-content/uploads/2016/04/PDC-Strategic-Plan.pdf>

1. About Prosper Portland

Created by Portland voters in 1958 as the Portland Development Commission, Prosper Portland³ has been a driving force in Portland's reputation for vibrancy and livability. Prosper Portland released a new, five-year strategic plan in 2015. The plan focuses our work on building an equitable economy, especially benefitting communities of color and those who have been historically underserved.

With this plan Prosper Portland seeks to empower people, communities, and businesses to thrive in the regional and global economies, thereby increasing the percentage of households living at or above self-sufficiency by 2020. In doing so, we will ensure that Portland—the city we love—becomes one of the most globally competitive, equitable, and healthy cities in the world. Attaining the goal of widely shared prosperity among all residents of Portland requires our deliberate and equal focus on four key areas:

- **Quality jobs.** Our programs provide Portland companies with access to new markets, technical assistance, and loans so they can grow and hire. We also connect Portlanders with better access to job training and job opportunities and support companies in a range of high-growth sectors that create quality jobs.
 - **Widely shared prosperity.** We support small and growing businesses led by diverse entrepreneurs to thrive in innovative sectors and on main streets. We prioritize property ownership and real estate projects within communities of color and in low-income neighborhoods to create assets that can be passed on from one generation to the next.
 - **Collaboration with our partners for an equitable economy.** Collaboration with community-based organizations, the private sector and other public entities is central to the success of our job-creation, place-making and economic-opportunity work across Portland. These partnerships ensure that the gains from economic growth and development benefit all communities, especially communities of color and those historically underserved.
 - **Vibrant neighborhoods and communities.** Our work strengthens Portland's unique communities by building and increasing access to healthy, complete neighborhoods – those with essential goods and services, connected to jobs, with transportation options and access to open space –throughout the city. We also support innovative civic solutions that promote mixed-income neighborhoods with
- both affordable and workforce housing, and that evolve in ways that honor cultural diversity.
- To achieve these goals, we are committed to continual evolutions as an agency of change, and to operating in an equitable, innovative, and financially sustainable way. Redevelopment of the ODOT Blocks is intended to advance these goals and the project-specific goals described in Section 4.
- In carrying out our mission over the years, Prosper Portland has played a key role in some of Portland's most important landmarks, including Pioneer Court-house Square, Pioneer Place, the Lan Su Chinese Garden, Governor Tom McCall Waterfront Park, the Eastbank Esplanade, and Airport, Interstate, and Transit Mall-Clackamas MAX Light Rail. Recent accomplishments involving property conveyance and redevelopment include the following projects:
- **The Burnside Bridgehead** redevelopment partnerships have transformed the four-acre, four-block Burnside Bridgehead site as an essential component in the city's work to energize redevelopment, stimulate job creation, and generate tax increment in the central city. Today, a mix of uses – commercial, employment and residential – activate the site, build on its unique character, and provide opportunities for the community to gather.
 - **The 38Davis redevelopment project** highlights Prosper Portland's strategic goals around sustainability, inclusion and partnership. The project houses an architectural firm's headquarters, University of Oregon classrooms, administrative offices, and retail space; and two floors of residential space, with more than half of the 65 housing units designated as affordable. The project complied with Prosper Portland's Equity Policy and Green Building Policy and as home to employees and residents in the Old Town neighborhood fulfilled key goals of the Old Town/Chinatown Five-Year Action Plan to promote business vitality and improve district livability.
 - **Lents Town Center** is a four-site redevelopment promoting the growth of a mixed-use, mixed-income community that stimulates improved business and resident satisfaction. Projects include Lents Commons and Oliver Station, both of which offer a mix of market-rate and affordable housing and ground-floor retail, the Asian Health & Service Center, and the Woody Guthrie, which combines workforce housing with affordable units.

³ <http://prosperportland.us>

2. Central Eastside District

The **Central Eastside (CES) Urban Renewal Area**⁴ is a 708.5 acre sub-district of Portland's Central City along the east bank of the Willamette River, which is zoned primarily for industrial and employment land uses. Historically, businesses in the district consisted primarily of industrial services, warehousing and distribution, and manufacturing. Over the years and with increasing land values, some of these businesses have begun to migrate to other areas with larger development parcels and better access to the regional transportation network. At the same time, the nature of industry in the U.S. has expanded as new technologies helped grow knowledge- and industrial design-focused firms.

Today, the CES houses more than 1,100 businesses and 17,000 jobs. The district continues to be a home to industrial services yet juxtaposes this with creative businesses and is an emerging location of choice for cross-industry exchange, from film, digital and creative services to food and craft makers. While employment decreased in other Central City areas during the economic downturn, this district flourished, in part due to a growing presence by Portland's traded sector industries.

The area's evolution as an attractive site for a variety of businesses can be attributed to its unique collection of historic industrial buildings, space affordability, and centralized location adjacent to Portland's business core. The district is considered a key employment center for the Central City. With its entrepreneurial vibe, industrial properties and proximity to the waterfront and downtown, the CES is a focal point for the city's economic development strategy and its goals for urban innovation and a dynamic central city.

Innovation Quadrant: the ODOT blocks, and the Central Eastside Industrial District, lie within Portland's Innovation Quadrant (IQ), which spans both sides of the Willamette River and is home to major regional higher-education institutions, workforce development providers, and private sector partners. The IQ extends from the burgeoning expansion driven by OHSU's Knight Cancer Institute and the Zidell Yards development on the South Waterfront and the continuing evolution of PSU's University District campus to the planned new development on OMSI's many waterfront parcels on the east bank of the river, the new corporate home for Autodesk at the Burnside Bridgehead, and the Goat Blocks multi-use development on the Central Eastside. These parts of the city, once geographically separate, are now connected by Tillikum Crossing, the iconic transit-focused bridge over the Willamette. The redevelopment of the ODOT Blocks is intended to advance the goals of the Innovation Quadrant—a new connected district characterized by innovation, education and entrepreneurship.

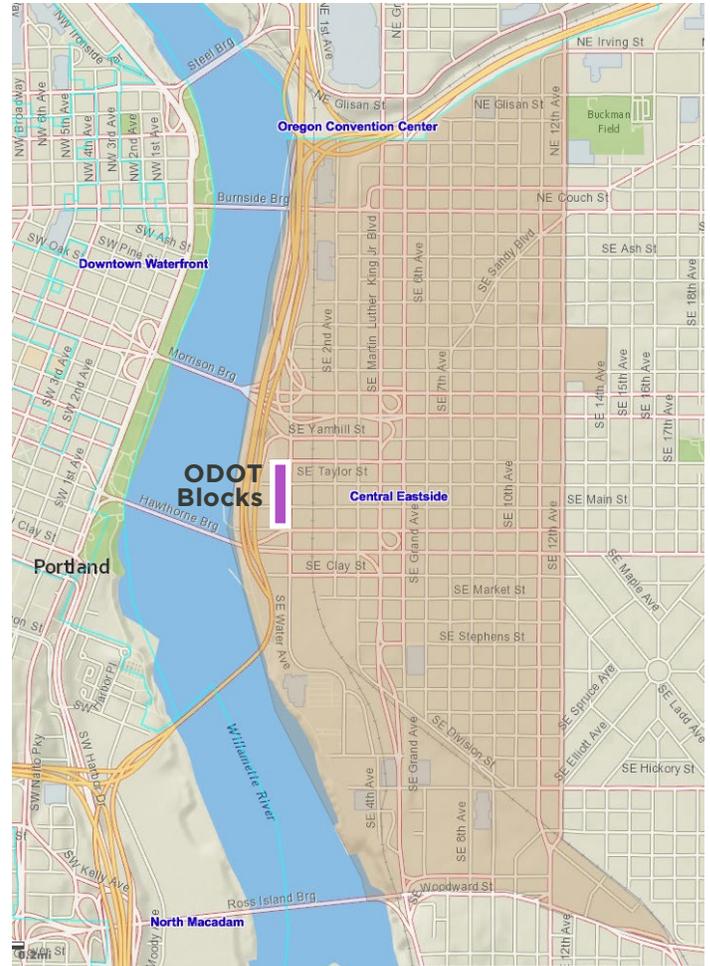


Photo by TriMet

4 <http://prosperportland.us/what-we-do/urban-renewal/>

3. Property Summary

A. Land Description: The Property is located on SE Water Avenue between SE Taylor Street and SE Madison Street. The three parcels include the eastern portion of each block as highlighted on the map. The western portion of each block is owned by the Oregon Department of Transportation (ODOT) and is not included in this offering (see Site Map, Attachment 1).

B. Street Address: The Property is located on SE Water Avenue between SE Taylor Street and SE Madison Street. The three parcels that comprise the Property include the eastern portion of each block.

C. Property Identification:

- a. North: R673527
(Partition Plats 2016-9/2016-52;
1S 1E 3AD, TL 1705)
- b. Center: R673490
(Partition Plats 2016-7/2016-53;
1S 1E 3AD, TL 3602)
- c. South: R673495
(Partition Plats 2016-8/2016-51;
1S 1E 3AD, TL 4305)

D. Parcel Sizes:

- a. North: 34,809 SF
- a. Center: 34,862 SF
- a. South: 25,601 SF

E. Existing Structures and Uses: The Property is vacant and has been used intermittently in recent years for construction staging, material storage, and parking.

F. Comprehensive Plan Designation: The Property is designated Industrial Sanctuary (IS) in the existing Comprehensive Plan and the updated Comprehensive Plan adopted by the City of Portland in June 2016⁵. Subject to state DLCD review and acknowledgement, the new plan will take effect on January 1, 2018.



G. Zoning Designation: The Property is within the Central City Plan District and is zoned General Industrial 1 (IG1). Updates to the IG1 zone were adopted by City Council on December 21, 2016⁶. Subject to Oregon Department of Land Conservation and Development (DLCD) review and acknowledgement, the new IG1 zone standards are expected to become effective June 2018⁷.

These new standards include:

- Ground Floor Industrial FAR bonus: This provision allows an additional 1:1 FAR of industrial office space to be constructed above the 3:1 FAR maximum, if at least 33% of the ground floor of the building, but no less than

5 <https://www.portlandoregon.gov/bps/70936>

6 <https://www.portlandoregon.gov/bps/article/644148>

7 <https://www.portlandoregon.gov/bps/58897>

5,000 sq. ft., is dedicated to industrial use and meets certain development standards. Additional space must be created and dedicated for Manufacturing and Production, Warehouse and Freight Movement, and Industrial Service uses in the Central Eastside Subdistrict. This provision is only applicable to IG1 zoned properties. It is intended to result in the creation of industrial flex space, space that can be used for manufacturing, warehouse and distribution, and industrial service uses, in exchange for the ability to create more industrial office space than would otherwise be allowed.

- **Industrial Office Use**⁸: Industrial Office uses are allowed in this zone. This allowance is intended to provide a balanced approach that supports industrial retention and industrial office job growth. These updates are meant to (1) foster new multi-story building construction that accommodates industrial and industrial office use, (2) partially meet 20-year growth-capacity needs in the updated Comprehensive Plan for the Central City Industrial area, and (3) encourage and allow the full interior of an existing building shell to be rehabilitated to allow industrial office uses. Some buildings in the district have multiple stories that can easily be used as industrial office space; others have former industrial warehouse or production space where the ceiling is very tall and additional floors could be added within the shell of the building to create industrial office space. Further, in some cases it may be desirable for developers to add a penthouse to the roof of an existing building to serve as additional industrial office space for accessory uses to the office use. These provisions are intended to address this desire.
- Retail Sales and Service and Traditional Office use limitations:
 - i. Sites up to 40,000 square feet in size. The following regulations apply to Retail Sales and Service and Traditional Office uses on sites that are 40,000 square feet or less in size:
 - » Up to 5,000 square feet of the net building area plus the exterior display and storage area on a site may be in Retail Sales and Service use. More than 5,000 square feet in Retail Sales and Service use on a site is prohibited.
 - » Up to 5,000 square feet of net building area on a site may be in Traditional Office use. More than 5,000 square feet in Traditional Office use on a site is prohibited.
 - ii. Sites more than 40,000 square feet in size. The following regulations apply to Retail Sales and Service and Traditional Office uses on sites that are more than 40,000 square feet in size:
 - » Retail Sales and Service uses on a site are allowed but net building area plus exterior display and storage is limited to an amount equal to 12.5 percent of the total site area. More than 12.5 percent in Retail Sales and Service use is prohibited.

H. **Transportation and Access:**

The Property is located in Portland's highly walkable Central City with convenient access to Portland's central business district. The Property is served by TriMet bus service (routes 10,14,15,4,6) adjacent to the south parcel (Hawthorne Bridge bus stop). The Property is within a half-mile of both the Portland Streetcar and the Portland-Milwaukie light rail line.

SE Water Avenue and SE Taylor and SE Madison Streets are classified as Traffic Access Streets. SE Salmon and SE Main Streets are classified as Local Service Streets. SE Water Avenue is also designated a District Collector, providing freight access through the district.



Photo by TriMet

⁸ <https://www.portlandoregon.gov/bps/article/53501>

With the recent lot line adjustments and partitions that created the lots Prosper Portland acquired from ODOT, the Portland Bureau of Transportation (PBOT) provided the following information regarding existing street conditions ([Attachment 2](#)):

- SE Water: (along all of the subject blocks) 48-ft of paving width, 0-6-0 sidewalk corridors within a 60-ft wide r.o.w.
- SE Taylor: 44-ft of paving, 0-8-0 sidewalk corridor within a 60-ft wide r.o.w.
- SE Salmon: 44-ft of paving, 0-8-0 sidewalk corridors (north & south sides) within a 60-ft wide r.o.w. (NOTE: the pavement width narrows to 36-ft and the sidewalk corridors widen to 0-12-0 towards the western end of the block frontage).
- SE Main: 40-ft of paving, 0-10-0 sidewalk corridors (north & south sides) within a 60-ft wide r.o.w. (NOTE: the pavement width narrow to 36-ft and the sidewalk corridors widen to 0-12-0 towards the western end of the block frontage).
- SE Madison: 20-ft of paving width and an unknown width sidewalk corridor (which also accommodates a stair structure that leads up to the Hawthorne Bridge deck, above) at the eastern end of the street; 40-ft of paving, a 0-10-0 sidewalk corridor within a 60-ft wide r.o.w. (NOTE: the pavement width narrow to 26-ft and the sidewalk corridor widens to 0-12-0 towards the western end of the block frontage).

PBOT also provided the following information regarding anticipated ROW dedications with development of each block: The majority of the site's frontages, including along SE Water, have insufficient width sidewalk corridors and the curbs around most of the blocks no longer have adequate curb reveal (height). Accordingly, all of the site's frontages will need to be upgraded as follows:

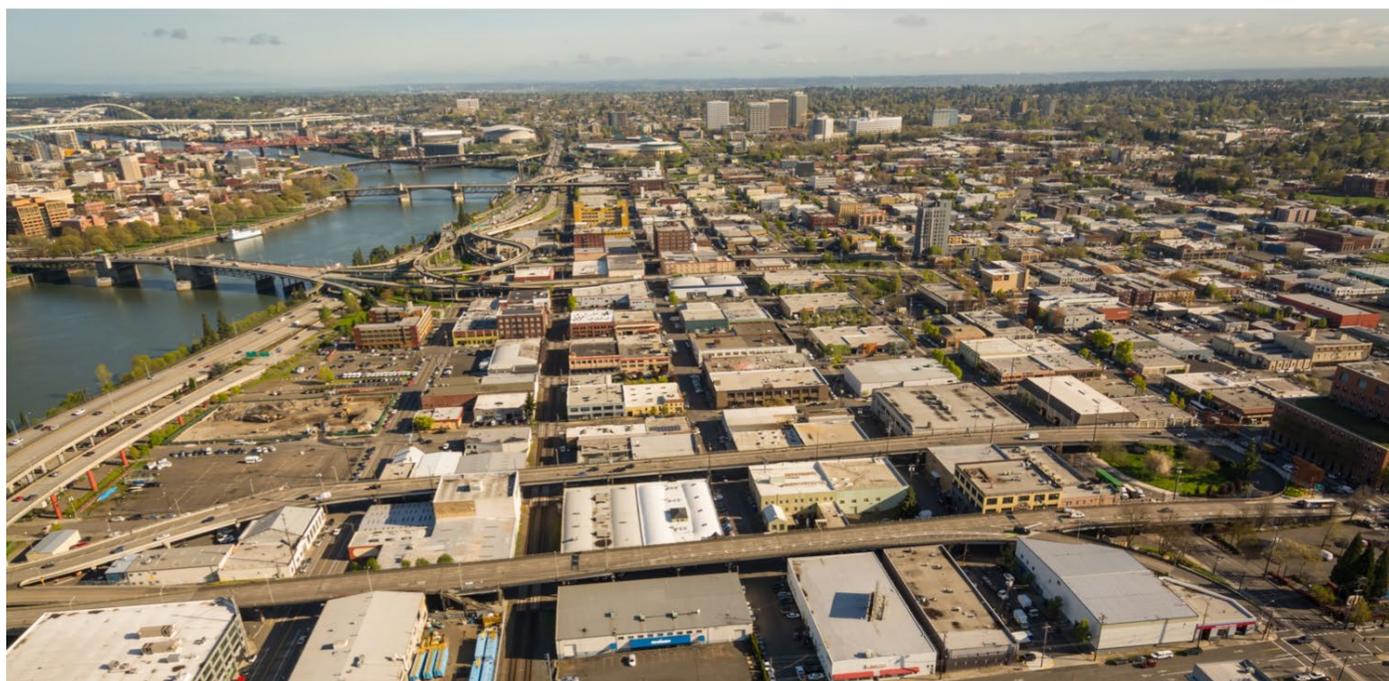
- SE Water: this street must adhere to the standards identified in the City's adopted Central Eastside Street Plan. Each of the SE Water block frontage must be reconstructed as follows: new 0.5-ft curb to be located in its current location, 4-ft wide furnishing zone, 6-ft wide sidewalk, 0.5-ft wide buffer. To accommodate the above referenced new sidewalk corridor along SE Water, a 5-ft dedication of property must be provided (along each block face).
- SE Taylor: 11-ft sidewalk corridor comprised of a 0.5-ft curb, 4-ft wide furnishing zone, 6-ft wide sidewalk, 0.5-ft wide frontage zone (this street segment is not within the boundaries of the Central Eastside Street Plan). To accommodate the above referenced new sidewalk corridor along SE Taylor, a potential 3-ft wide dedication of property must be provided. (PBOT may consider allowing the curb to be relocated towards the center of the street by 2-ft [dedication would be reduced to 1-ft] to maintain the minimum required 40-ft wide roadway width for the freight district; to be determined in coordination with PBOT Parking Control.)
- SE Salmon: 11-ft sidewalk corridors (on both sides of the street) comprised of a 0.5-ft curb, 4-ft wide furnishing zone, 6-ft wide sidewalk, 0.5-ft wide frontage zone (this street segment is not within the boundaries of the Central Eastside Street Plan). To accommodate the above referenced new sidewalk corridors along SE Salmon, a potential 3-ft wide dedication of property must be provided. (PBOT may consider allowing the curb to be relocated towards the center of the street by 2-ft [dedication would be reduced to 1-ft] to maintain the minimum required 40-ft wide roadway width for the freight district; to be determined in coordination with PBOT Parking Control.)
- SE Main: 11-ft sidewalk corridors (on both sides of the street) comprised of a 0.5-ft curb, 4-ft wide furnishing zone, 6-ft wide sidewalk, 0.5-ft wide frontage zone (this street segment is not within the boundaries of the Central Eastside Street Plan). To accommodate the above referenced new sidewalk corridors along SE Main, a potential 1-ft wide dedication of property must be provided. SE Madison: 11-ft sidewalk corridor (beyond the existing stairway structure) comprised of a 0.5-ft curb, 4-ft wide furnishing zone, 6-ft wide sidewalk, 0.5-ft wide frontage zone (this street segment is not within the boundaries of the Central Eastside Street Plan). To accommodate the above referenced new sidewalk corridors along SE Madison, a potential 1-ft wide dedication of property must be provided.

- I. **Topography:** The Property is generally level and at street grade. The topography does not result in any particular development limitations.
- J. **Flood Plain Status:** The Property is located in a Zone X “other flood area” of 0.2 percent annual chance of flood (Flood Insurance Rate Map Number 4101830093E, effective 10/19/2004).
- K. **Utilities:** The following utilities are available to the Property: electric, natural gas, water service, as well as connections to the [City of Portland’s combined sewer and storm lines](#).⁹
- L. **Environmental Conditions:** ODOT and Prosper Portland have conducted extensive environmental investigations of the Property and determined the presence of subsurface soil contamination. These investigations include a Remedial Action Approach Plan, a Contaminated Media Management Plan, and a DEQ Assessment of Site Conditions (see Attachments 3, 4, and 5).

The subsurface contamination is consistent with the impacts found on other former industrial lands previously acquired and developed by Prosper Portland. Upon acquisition, Prosper Portland enrolled the Property in the Oregon Department of Environmental Quality’s (DEQ) Voluntary Cleanup Program (VCP) in order to obtain regulatory closure following redevelopment anticipated to occur within a two- to three-year period. Known and perceived environmental issues associated with the

properties include petroleum-contaminated soil associated with former uses (asphalt plant, forklift facility, machine shop, auto repair and maintenance) and leaking underground storage tanks (LUSTs), buried debris related to demolished buildings, a drywell, and impacted groundwater migrating on site from a former fuel terminal located to the east. This did not include the removal of development-specific soil, which may result in the removal of soil that does not meet DEQ’s clean fill criteria, and could incur an incremental environmental cost for off-site disposal.

- M. **Easements:** The ALTA Survey ([Attachment 6](#)) and Title Policy ([Attachment 7](#)) summarize the exceptions to title. The exceptions appear to not have an adverse effect on value.
- N. **Geotechnical Investigation:** A Preliminary Geotechnical Memorandum was prepared for Prosper Portland in October 2016 ([Attachment 8](#)).
- O. **Adjacent ODOT parcels:** The western portion of each block (separate parcels) is owned by ODOT. ODOT allows for month-to-month leases of these parcels for non-structured uses. These parcels, through coordination with ODOT, could be leased for uses that support development on the Property. In addition, ODOT may be open to negotiations to allow for Property development-associated elements (such as fire/life/safety easements) on the leased parcels.



⁹ <https://www.portlandmaps.com>

4. Development Goals

In making the Property available for purchase and redevelopment, Prosper Portland seeks to achieve the following primary goals:

- **Industrial Mixed-Use:** For the project to include ground floor industrial space, with a preference for an affordability component to that space; ground floor retail space as allowed by code; and industrial or industrial office space on upper floors to maximize employment.
- **Maximize Development Potential:** For the redevelopment project to maximize the development potential of the Properties given the level of public financing available.
- **Parking:** For the project to provide parking at the maximum entitlement allowed, with excess entitlement not allocated to on-site uses to be available for public parking. Prosper Portland will retain ownership of the public parking component. Any parking provided must be designed to be repurposed for future use.
- **Public Realm:** For the project to consider how it relates to adjacent properties and connections to the Vera Katz Eastbank Esplanade.
- **Compatibility:** For the redevelopment to be consistent with the anticipated Central City 2035 (CC2035) zoning regulations and Prosper Portland's five-year Strategic Plan, and to further the development objectives of the Central Eastside Urban Renewal Area Plan, which focuses on improving the condition and appearance of Portland's Central Eastside by eliminating blight and blighting influences, expanding and improving public facilities, and stimulating private investment and economic growth.
- **Timeliness:** For the redevelopment to be carried out as expeditiously as possible and to commence construction by early 2019. The project may be phased.
- **Public Financing:** For the redevelopment project to minimize the amount of public financing needed while accomplishing the above stated goals.
- **Partnering:** for the project to demonstrate robust partnerships with an emphasis on equity in design, construction, and operations.



5. Compliance with Prosper Portland Policies

All development projects shall comply with the following Prosper Portland policies:

Equity Policy¹⁰: Prosper Portland is committed to increasing economic opportunity and income for all Portland residents and historically disadvantaged Portlanders in particular as described in Prosper Portland's Equity Policy. The selected Developers must comply with the following Prosper Portland programs:

- **Business Equity Program**¹¹. The goal of the Business Equity Program (BEP) is to ensure that Prosper Portland's work provides professional, supplier, and construction contracting opportunities to Certified Firms (i.e. certified minority-owned businesses, women-owned businesses, disadvantaged businesses, and emerging small businesses). The BEP also encourages the participation of businesses owned by veterans. The utilization goal for Certified Firms is 20 percent of the project's architectural and engineering and hard construction costs ([Attachment 9](#)).
- **Workforce Equity Program**¹². The Workforce Equity Program (WEP) aims to maximize apprenticeship opportunities in the construction trades, ensure employment opportunities for people of color and women, and encourage the employment of veterans and people with disabilities. The WEP has mandatory requirements related to achieving apprenticeship and aspirational goals aimed at achieving a workforce that reflects the diversity of the City of Portland ([Attachment 10](#)).

Green Building Policy: Prosper Portland is committed to promoting sustainable, energy-efficient buildings. The selected Developer will be required to meet or exceed established U.S. Green Building Council LEED Gold or Earth Advantage Small Commercial rating systems standards ([Attachment 11](#)).

Prevailing Wage: Construction work on the site is subject to Oregon Bureau of Labor and Industry (BOLI) prevailing wage rates. (See [State of Oregon Prevailing Wage Statutes](#); [Oregon Revised Statutes Chapter 279C.800 - .870](#)).¹³



Community Benefit Agreements: Projects receiving significant investments through Prosper Portland will be evaluated for community benefits in addition to those related to the project's predevelopment and construction work. Projects with opportunities for additional community benefits shall be encouraged or required. Depending on the specific project and the level of Prosper Portland financial participation, those projects with opportunities for additional community benefit shall be encouraged or required to enter into a community benefits agreement to provide benefits such as access for local residents to long-term employment opportunities, supply-chain opportunities for local businesses, and publicly accessible amenities.



¹⁰ <http://prosperportland.us/social-equity/>

¹¹ <http://prosperportland.us/business-and-workforce-equity-in-construction/>

¹² <http://prosperportland.us/business-and-workforce-equity-in-construction/>

¹³ <http://www.oregon.gov/BOLI/WHDPWR/pages/index.aspx>

6. Financial Objectives & Transaction Structure

Prosper Portland is seeking to enter into an innovative public-private partnership to complete the development vision described in the RFP while also meeting certain financial objectives:

- Targeted Minimum Return: In alignment with Prosper Portland's Strategic Plan and updated [Financial Investment Policy](#)¹⁴, Prosper Portland's real estate portfolio is the basis for creating a long-term revenue stream to meet agency and community objectives. As such, any investment in the site or project by Prosper Portland will require a minimum return of 6% on that investment, with the evaluation criteria in Section 8 preferring consideration for proposals that exceed this minimum while adequately addressing the community goals and redevelopment objectives of the project.
- Prosper Portland Financing: Prosper Portland will consider employing financial resources to attain the community goals and redevelopment objectives for the ODOT Blocks and /or produce higher long-term value through sources including tax-increment financing, New Market Tax Credits, the [Portland Enterprise Zone Program](#)¹⁵, and potentially the [Regionally Significant Industrial Sites Program](#)¹⁶.
- Transaction Structure Flexibility: Transactions for the ODOT Blocks may be phased over time and may include a combination of long-term ground lease, a PSA with a financial participation mechanism, or other innovative approaches. Recommendations on how to structure the transaction in a manner that meets the financial objectives articulated above are to be included in Responder's Submittal Requirements. Examples may include:
 - » Property acquisition for the affordable industrial component at less than market value in return for the provision of affordable industrial;
 - » Subordinating a land loan so as to reduce the required equity;
 - » Structuring the land payment to produce a higher long-term value;
 - » Alternative appraisal methodologies specific to the provision of affordable industrial; and
 - » Ground lease.

¹⁴ <http://prosperportland.us/wp-content/uploads/2016/07/Resolution-7194.pdf>

¹⁵ <http://prosperportland.us/portfolio-items/portland-enterprise-zone/>

¹⁶ <http://www.orinfrastructure.org/Infrastructure-Programs/Industrial-Development/RSIS/>

7. Submission Requirements

Proposals should, at a minimum, include the following information:

Team Overview, Qualifications and Past Performance

- Cover Letter: A letter signed by an authorized officer of the development team to make a binding commitment for the Proposer, stating that the Proposal is valid for 180 days and that, if selected, the Developer will negotiate in good faith with Prosper Portland. The Cover Letter should also include contact information for your primary point of contact for this RFP (name, email address, phone number, and mailing address).
- Development Team:
 - » Team capability and experience, including lead developer, project architect, general contractor, lender(s) and equity provider(s), completion of Statement of Developer Qualifications and Financial Capability ([Attachment 12](#)).
 - » Summary qualifications of key project staff, including a description of their roles on this project, a résumé, and relevant experience from past projects.
 - » Policies, approaches, and demonstrated success in maintaining a diverse and equitable workforce (age, gender, disability) and maximizing diversity in business practices and past projects.
- Past Performance: Proposer’s qualifications should demonstrate expertise and proven experience in public-private partnerships. Provide narrative and illustrative materials on no more than five (5) current or recent projects of similar or comparable scope and vision.
- Experience with and commitment to complying with Prosper Portland’s Business and Workforce Equity Policy and Green Building Policy (or similar corporate responsibility policies). Provide information regarding Development team members, including lead developer, project architect, general contractor, lender(s) and equity provider(s) experience with these, or similar, policies; and role of current Development Entity principals in the transaction(s).

Development Concept

- Preliminary concept of program and site plan.
- Description of how this project advances the Development Goals listed above.
- Development schedule including key milestones and phasing.

Financial Information

- Financial Capability: Completed Statement of Developer Qualifications and Financial Capability ([Attachment 12](#)), including one completed form for each developer if a partnership.
- Partnership: Description of a recommended transaction structure to achieve Prosper Portland’s Financial Objectives listed in Section 6. This should include information regarding a preliminary budget, proforma and financing.

8. Evaluation Criteria

All complete and responsive Proposals will be evaluated by an evaluation committee. Responsive proposals are those proposals that substantially comply with all required submittal procedures and requirements described herein. The evaluation will be based on the information submitted as well as any related information that Prosper Portland may discover or request in analyzing or verifying information submitted in the proposal.

Proposers must have demonstrated successful experience meeting or exceeding the following criteria, determined at the sole discretion of Prosper Portland staff, to be further considered by the Evaluation Committee.

A. Development Team Capability

1. Implementing projects similar in development scope and type to proposed project, including projects with public/private development partnerships.
2. Financing comparably scaled and complex projects; and the financial capacity of the development team.
3. Maintaining a diverse and equitable workforce (race, gender, disability) including a development team that includes people of color and a history of fair and equitable labor practices.

B. Proposed Project

1. Proposed project advances all of the Prosper Portland Development Goals described in Section 4.
2. Proposed project incorporates cost-effective design, financing, construction, and operations.

C. Business Terms

1. Proposed purchased price or lease terms.
2. Amount and terms of any requested Prosper Portland financing.
3. Proposed earnest money payment timing and amount.

4. Project schedule: Due diligence period, anticipated date of property conveyance, date or start of project construction (prior to end of 2018), and date of project completion.
5. Projected value of proposed development.
6. Other Financial Objectives described in Section 6.

D. Compliance with Prosper Portland Policies

1. Demonstrated ability to maximize diversity in past projects or business practices and commitment to strive to meet and exceed the Prosper Portland Equity Policy (or comparable policy).
2. Demonstrated ability to advance green building, green infrastructure, and sustainable developments in past projects through existing and innovative technology, and commitment to meet and exceed the Prosper Portland Green Building Policy (or comparable policy).
3. Participating in, or a willingness to participate in, a Community Benefits Agreement (CBA).

Prosper Portland may request additional information and conduct interviews with responders as part of the evaluation process.

This RFP may lead to one of the following outcomes:

- Direct negotiations for sale or leases and redevelopment of the Property through a Memorandum of Understanding (MOU), Lease Agreement, or Purchase and Sale Agreement (PSA) with a Developer selected as part of this RFP.
- The issuance of a Request for Proposals (RFP) to a developer or developers chosen as part of this RFP requesting more detailed information.
- Cancellation of this RFP without selection of a development team

Prosper Portland expects the evaluation of submittals will be completed by March 2018 and anticipates engaging the selected Developer in an MOU or PSA (or DDA) in Spring 2018.

9. Terms of this RFP

- A. This RFP is not a request for competitive proposals that is subject to the Oregon Public Contracting Code (ORS 279). This RFP in no way obligates Prosper Portland to enter into a relationship with any entity that responds to this RFP or limits or restricts Prosper Portland's right to enter into a relationship with an entity that does not respond to this RFP. In its sole discretion, Prosper Portland may pursue discussions with one or more entities responding to this RFP or none at all. Prosper Portland further reserves the right, in its sole discretion, to cancel this RFP at any time for any reason. This RFP is not subject to any process except as described herein.
- B. To the extent that Prosper Portland elects to enter into a relationship with an entity regarding a development proposal, such entity shall be required to comply with Prosper Portland's policies, including its Business and Workforce Equity Policy and Green Building Policy in connection with any work undertaken on such proposal.
- C. Information provided to Prosper Portland in response to this RFP will become the property of Prosper Portland and will be subject to public inspection in accordance with the Oregon Public Records Law, ORS 192.410, et seq. If an entity responding to this RFP believes that a specific portion of its proposal constitutes a 'trade secret' under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a 'trade secret.' Identification of information as a 'trade secret' does not necessarily mean that the information will be exempt from disclosure. Prosper Portland will make that determination based on the nature of the information and the requirements of the Oregon Public Records Law.
- D. Every effort has been made to include all the information necessary to prepare and submit a responsive proposal; however, in the event additional information is desired, please refer to the RFP Instructions at the start of the RFP. During the course of this RFP process, Proposers must refrain from undertaking any activities or actions to promote or advertise their proposals except in the course of Prosper Portland-authorized presentations; or to make any direct or indirect (through others) contact with members of the Prosper Portland Board of Commissioners or other Prosper Portland or city staff not identified as a contact for specific information, except upon prior approval.
- E. Prosper Portland is self-represented for this transaction and will not be paying any third party brokerage fees.
- F. The Developer and Prosper Portland will enter into a Memorandum of Understanding (MOU) by spring 2018 that describes in general terms the conditions, contingencies, and commitments by the parties separately and/or jointly. Upon successful negotiation, Prosper Portland and the Development may enter into a Disposition Agreement (DDA), a Community Benefits Agreement (CBA) and/or other transaction document(s) anticipated by the end of 2018. The MOU is non-binding and may be terminated by either party in its sole discretion. The Developer will not receive any compensation from Prosper Portland for services provided during the MOU period.

Appendix: SUPPLEMENTAL INFORMATION AVAILABLE

Download all attachments via Dropbox or individually below:

1. [ODOT Blocks Site Map](#)
2. [BDS E- Early Assistance Summary Memo](#), City of Portland Bureau of Development Services (May 2014)
3. [Remedial Action Approach Plan ODOT Central Eastside Block Parcels 1C, 2C, and 3B](#) Portland, Oregon DEQ LUST #26-92-0020 and 26-99-0182, DEQ ECSI #5936 (June 2015)
4. [Contaminated Media Management Plan ODOT Central Eastside Blocks Parcels 1C, 2C, and 3B](#) Portland, Oregon DEQ LUST #26,92-0020 and 26-99-0182, DEQ ECSI #5936 (June 2015)
5. [DEQ Assessment of Site Conditions Letter](#) (July 2015)
6. [ALTA Survey](#) (October 2015)
7. [Title Policy](#) (July 2017)
8. [Preliminary Geotechnical Memorandum](#) (October 2016)
9. [Prosper Portland Business Equity Program Specifications](#) (January 2016)
10. [Prosper Portland Workforce Equity Program Specifications](#) (November 2013)
11. [Prosper Portland Green Building Policy](#) (May 2015)
12. [Developer's Statement of Qualifications and Financial Capability](#)