Discussion Overview

Project Summary

Background: How did we get here?

Project Working Group
- Building and Site Design
- Community Benefits Agreement

Development Agreement Terms

Next Steps
Project Summary

Project Team
• Majestic Realty, Developer
• Colas Construction, Prime Contractor
• Natural Grocers, Anchor Tenant

Deliverables
• Active development to support Vanport Square businesses
• Dedicate 50% of commercial space as affordable for local and minority businesses
• Community Benefits Agreement and Design Improvements negotiated by the Project Working Group
Background: How Did We Get Here?

1995
Albina Community Plan

1997-2000
PDC assembles two blocks for redevelopment
King Neighborhood Commercial Center

2001-2010
Vanport Public Advisory Committee
2008
Phase I: Vanport Square complete

2011
PDC/BPS Grocery RFI Released
PDC approached by Grocery Outlet and by Majestic Realty
PDC Neighborhood Economic Development Strategy

2012
Phase II: Vanport single family homes completed
Background: How Did We Get Here?

**NOV 2013**
- PDC Board approves DDA terms with Majestic Realty & Trader Joe's
- PAALF letter to Mayor Hales

**JAN 2014**
- Majestic & Trader Joe's present to King Neighborhood Association
- PAALF letter to Mayor Hales

**FEB - MAR 2014**
- PAALF Community Visioning

**AUG 2014**
- Natural Grocers announced as anchor tenant

**SEP–DEC 2014**
- Re-convened PWG meetings:
  - Developed CBA
  - Input on Design

**FEB 2014**
- Trader Joe’s withdraws

**APR 2014**
- Mayor Hales announcement of PDC to move forward with Majestic
- Additional $20 Million set aside for affordable housing in ICURA

**AUG 2015**
- PDC Board consideration

**DEC 2013**
- Project Working Group (PWG) formed

**JAN 2014**
- Majestic & Trader Joe’s present to King Neighborhood Association
- PAALF letter to Mayor Hales

**FEB 2014**
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**SEP–DEC 2014**
- Re-convened PWG meetings:
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  - Input on Design

**AUG 2015**
- PDC Board consideration
Vanport Square (Phase I)
- 16 independent commercial condominiums in two buildings
- Completed in 2008 by Vanport Partners, LLC

Fee Simple Homes (Phase II)
- Ten single family homes along NE Garfield Street
- Completed in 2012 by Lisac Brothers Construction, Inc.

MLK Jr Blvd & Alberta (Phase III)
- Subject of today’s proposed Board actions
- Single Family Home
Anchor Tenant – Natural Grocers

• Quality, affordable organic groceries
• Locally sourced and national brands
• Free nutrition classes, health coaching, cooking demos
• Commitment to sustainability
Purpose: to provide input on building and site design and develop a Community Benefits Agreement

Membership: 30 members

Meetings:
- Six PWG meetings, several small group meetings
- CBA and Design Subcommittees
- Process Debrief
Key elements influenced by Project Working Group:

- Active retail at corners
- Plaza with landscaping, seating, and space for public art
- Building material choices and space for culturally-specific art installation
- Proposed PDC grant investment to address community design input
Community Benefits Agreement

1. **Construction Workforce**: 28.5% people of color, 12% women, 20% apprentice hours

2. **Construction Contracting**: 20% hard and soft costs performed by MW or DBE firms

3. **Anchor Tenant Employment**: Implement hiring plan with local workforce agencies

4. **Anchor Tenant Supply Chain & Community Space**: Annual fairs, partnerships to increase acquisition of local goods/services

5. **Retail Tenanting**: PDC Master Lease 50% of non-anchor space; Invest $500,000 to support local business and job growth
• Establish Implementation, Monitoring, and Accountability Committee (IMAC)
• Construction Workforce subcommittee to work with Colas Construction, WSI, MCIP
• Micro Enterprise Services of Oregon (MESO) and Natural Grocers to partner on vendor support
• Retail Tenanting Subcommittee to work with PDC and MESO
Project Working Group Feedback

• Positive:
  – Connecting with other community members
  – Diversity of the PWG
  – Strong, open communication, facilitation and participation
  – Impact to project: many specific design issues were addressed

• Negative:
  – Unclear process, lapses in communication
  – Insufficient interaction or leverage with development team
  – Time commitment, expectations given size of project
  – Minority Report
    • Process: CBA fails to provide community benefits commensurate with public investment; community had no leverage
    • CBA: not legally binding in entirety, no legal commitment around quality hiring, no profit sharing provision, in line with existing PDC policies
Feedback & Next Steps

• Future considerations:
  ✓ Establish guidelines for future community benefit negotiations – including more regular communication
  ✓ Begin public benefit discussion early in process – before team selected

• Convening IMAC
  ✓ Retail Tenanting Advisory Committee
  ✓ Construction Subcommittee

• Public Art Process
  ✓ Art Installation and Heritage markers
**Development Terms & Master Lease**

**Est. Total Dev Cost:** $9,451,932  
**Land Purchase Cost:** $502,160  
**PDC Grant:** $122,705

**Total Commercial Space:** 25,000 sf

**Master Lease between PDC and Majestic** is the vehicle to ensure local tenanting and commercial affordability for the community:

- **Term:** 10 years + 5 year option
- **Rate:** $29.00 square foot NNN
- **Premises:** 5,125 square feet
Within the DDA between PDC/Majestic there are salient terms and a binding commitment to ensure delivery of community objectives:

- Business & Social Equity Goals
- Sustainability
- Commercial Affordability through Master Lease
- Community Benefits Agreement
Site & Development Constraints

- North-south alleyway
- Public sewer easement
- Access constraints
Board Approval Request:

- Authorizing DDA to Convey 1.79 acres of Real Property

- Authorizing Master Lease Agreement

- Authorizing a Special Authority Grant
QUESTIONS?