

NE Martin Luther King Jr. Blvd & Alberta Street Project

PDC Board of Commissioners Meeting
August 19, 2015

PDC | PORTLAND
DEVELOPMENT
COMMISSION
www.pdc.us



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

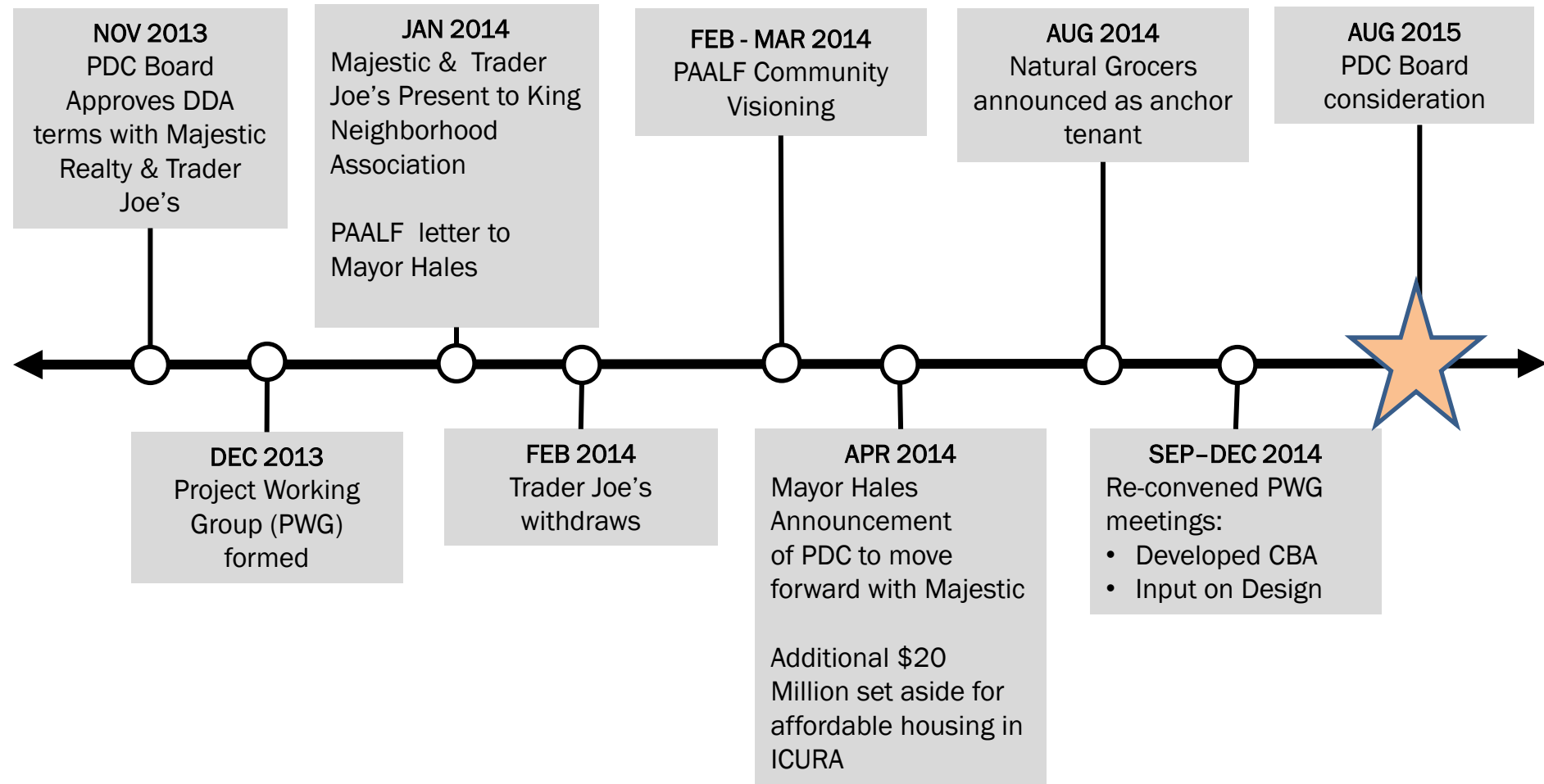
2008
Phase I: Vanport
Square complete

2011
PDC/BPS Grocery
RFI Released
PDC approached by
Grocery Outlet and
by Majestic Realty

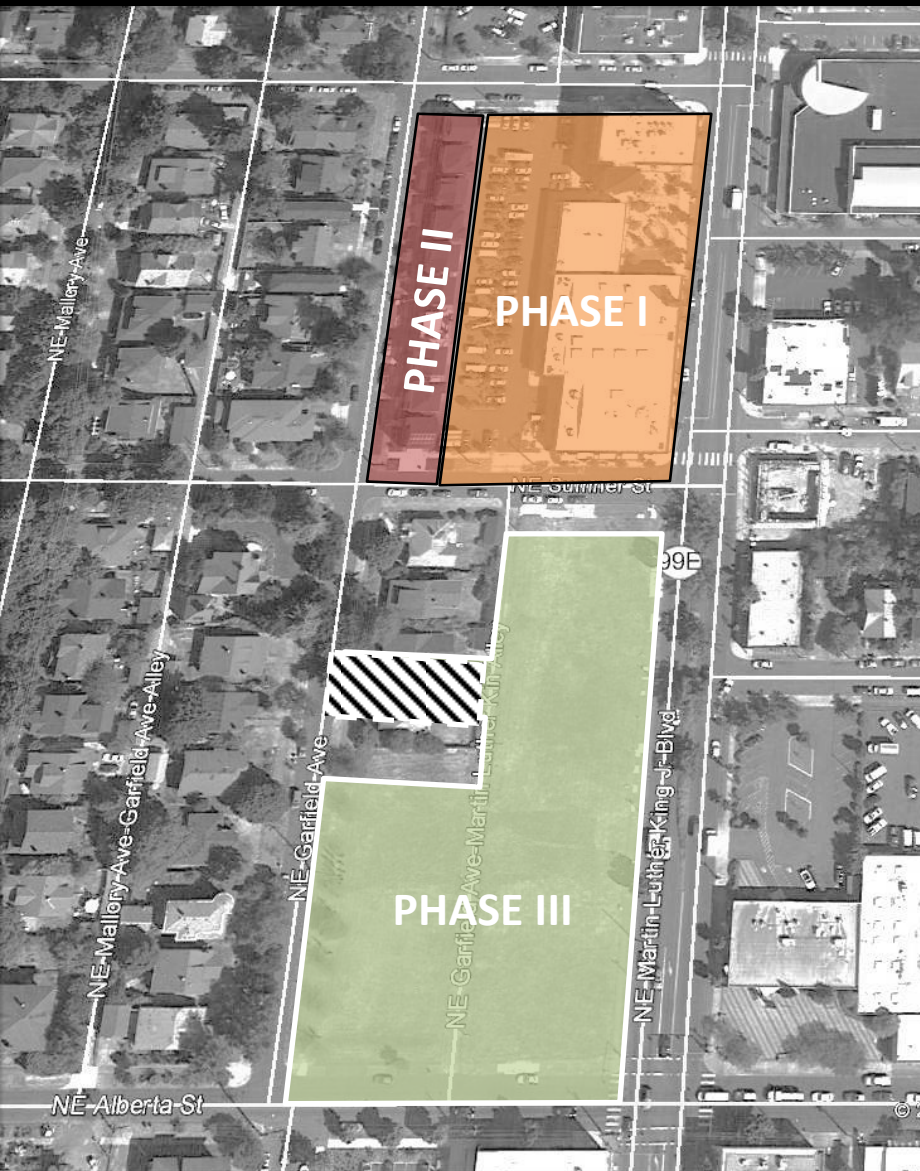
PDC Neighborhood
Economic
Development
Strategy

2012
Phase II: Vanport
single family homes
completed

Background: How Did We Get Here?



Phases of Vanport Redevelopment



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



Project Working Group

Purpose: to provide input on building and site design and develop a Community Benefits Agreement

Membership: 30 members

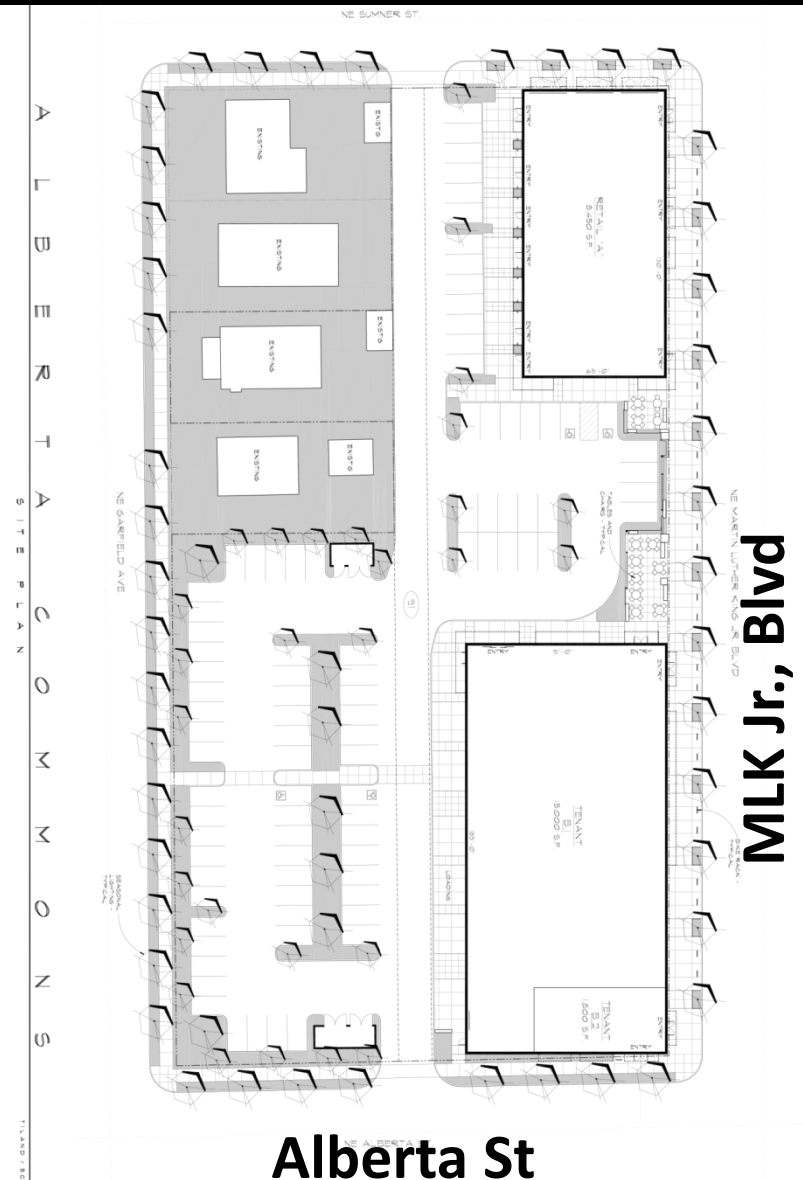
Meetings:

- Six PWG meetings, several small group meetings
- CBA and Design Subcommittees
- Process Debrief

Building and Site Design

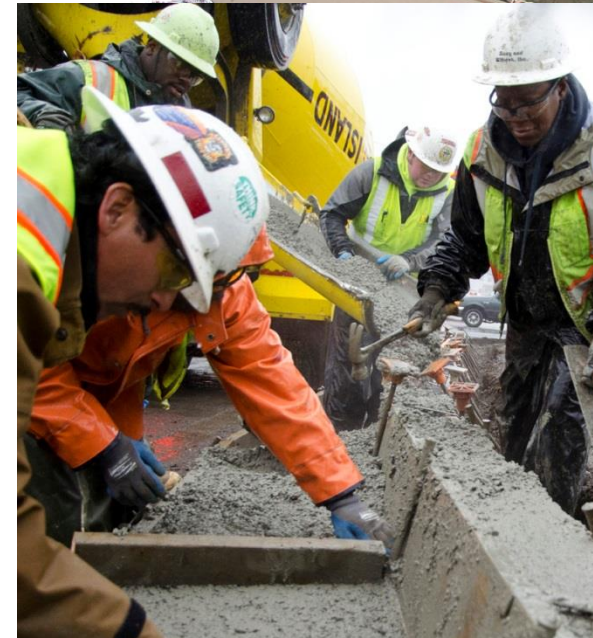
Key elements influenced by Project Working Group:

- Active retail at corners
- More glazing on building facing MLK Jr. Blvd.
- 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



CBA Implementation

- 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

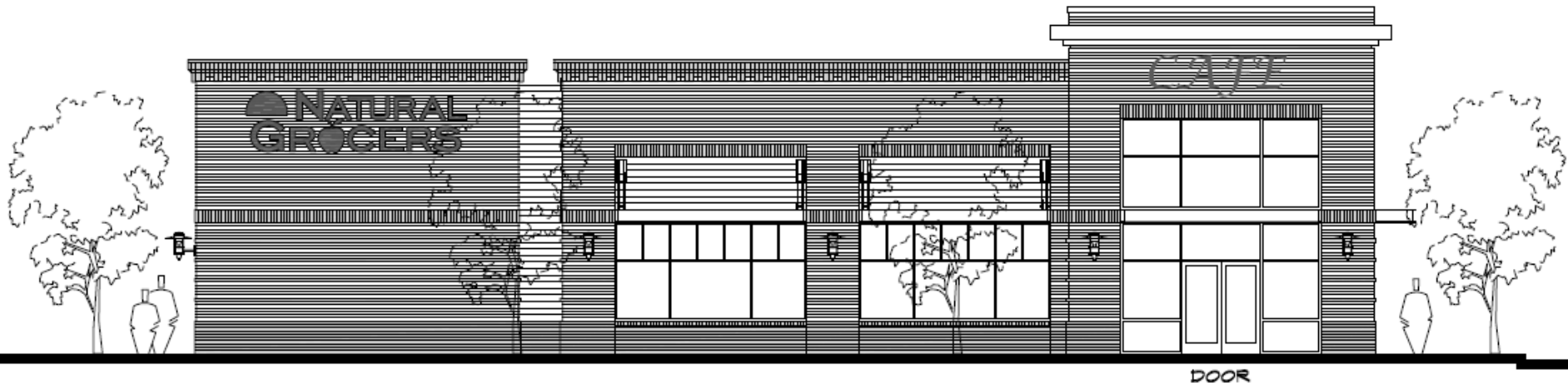
Land Purchase Cost: \$502,160

PDC Grant: \$122,705

Total Commercial Space:
25,000 sf

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

- Term: 10 years + 5 year option
- Rate: \$29.00 square foot NNN
- Premises: 5,125 square feet

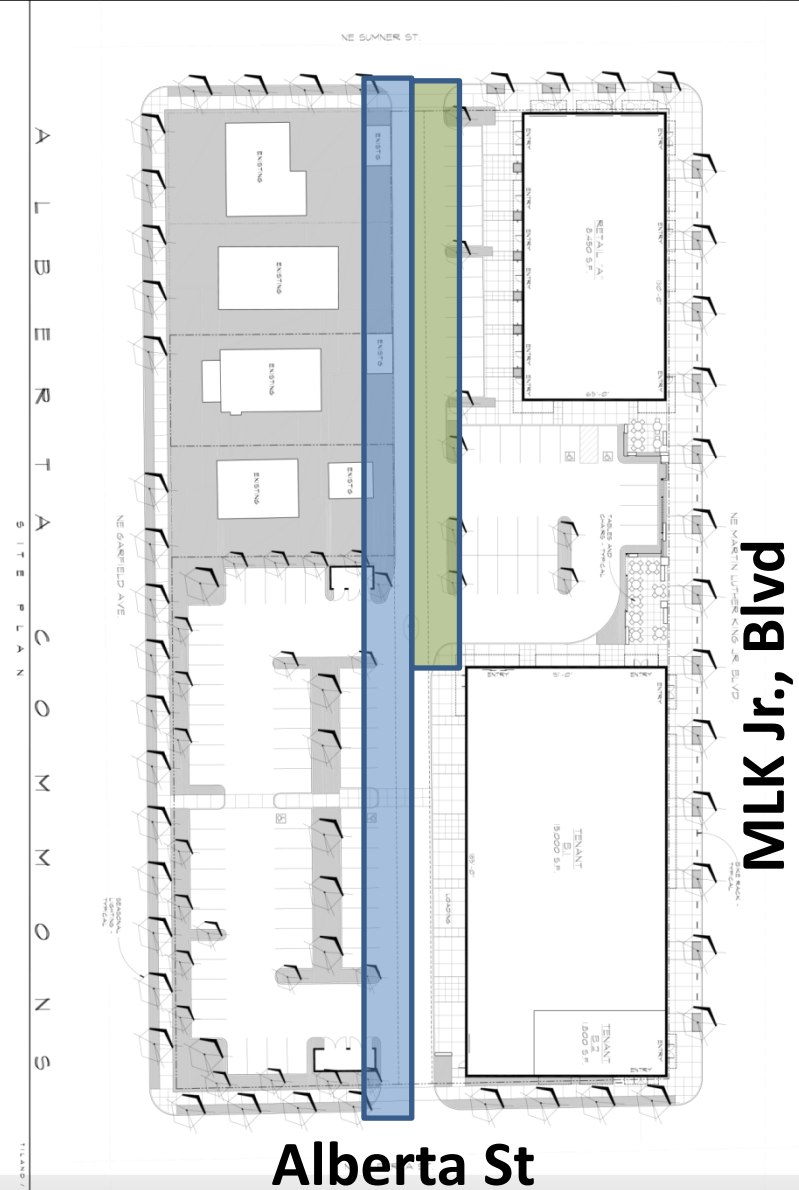


Disposition & Development Agreement

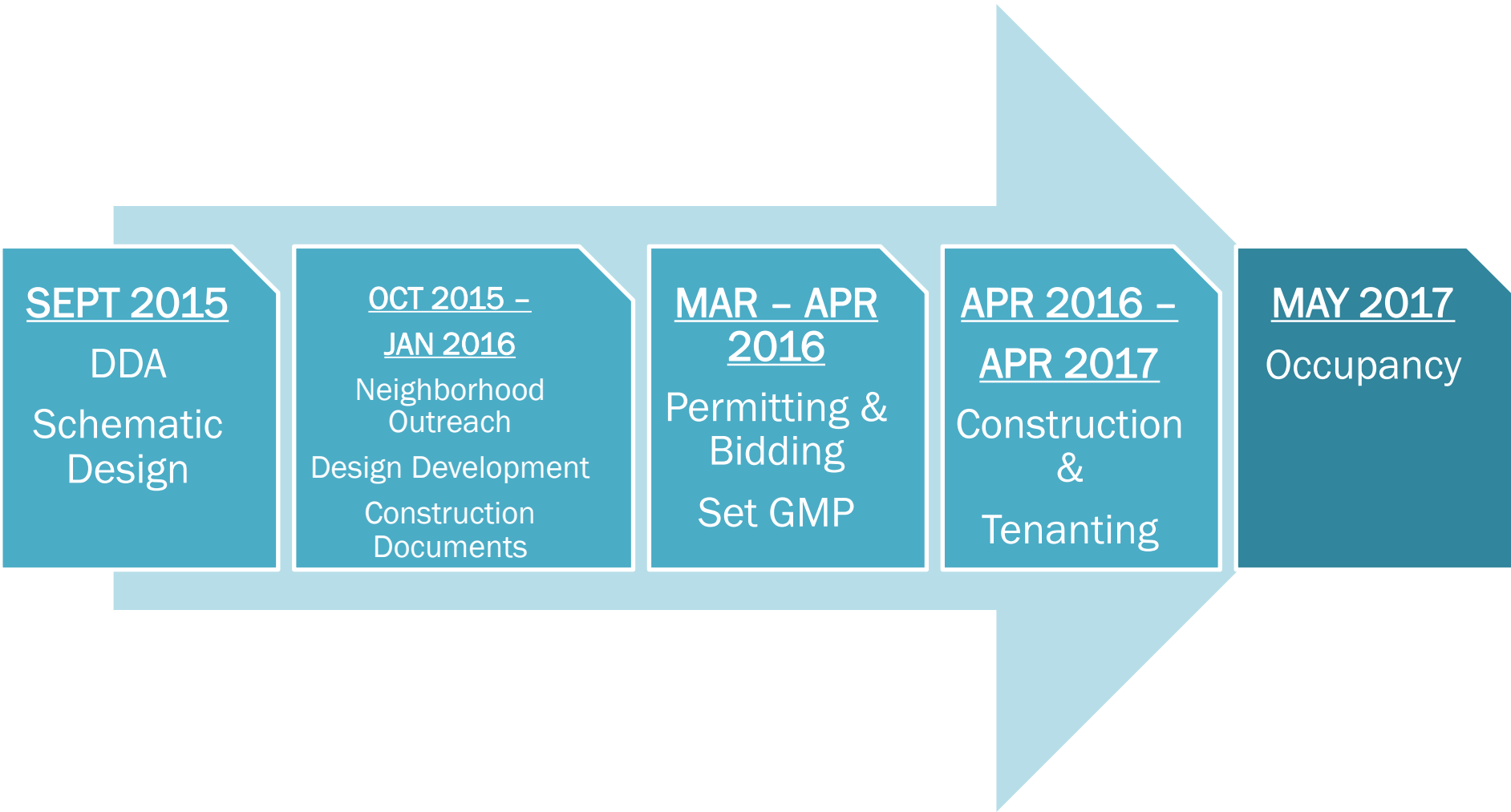
- Within the DDA between PDC/Majestic there are salient terms and a binding commitment to ensure delivery of community objectives:
 - Business & Social Equity Goals
 - Sustainability
 - Commercial Affordability through Master Lease
 - Community Benefits Agreement

Site & Development Constraints

- North-south alleyway
- Public sewer easement
- Access constraints



Development Timeline



Action Summary

Board Approval Request:

- Authorizing DDA to Convey 1.79 acres of Real Property
- Authorizing Master Lease Agreement
- Authorizing a Special Authority Grant



