



PROSPER
PORTLAND
Building an Equitable Economy

DATE: March 13, 2019
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 19-09
Approving a Contract with Safeguard Security, Inc. for Properties within Broadway Corridor

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7305

This action by the Prosper Portland Board of Commissioners (Board) will authorize a three-year contract with Safeguard Security (Safeguard) in an amount up to \$2,600,000 for security patrols on Prosper Portland-owned properties within Broadway Corridor (see an aerial and security patrol route in Attachment A).

Broadway Corridor consists of 32-acres in the River District Urban Renewal Area (URA) and is generally bounded by NW Glisan Street, NW Lovejoy Street, NW 9th Avenue, and NW 5th Avenue. The Broadway Corridor area encompasses several Prosper Portland-owned properties, including those subject to this contract. The properties covered by this contract are:

- The former United States Postal Service Processing and Distribution Center (USPS) – 14-acre site located at 715 NW Hoyt Street;
- Block Y – 25,000 square foot public parking lot adjacent to Union Station, offering daily and hourly parking; and
- Station Place Garage – five-story public parking garage located at 1020 NW 9th Avenue, offering hourly, daily, and monthly parking.

If approved, the contract with Safeguard will ensure consistent and comprehensive security for both Prosper Portland assets and the local community.

At the March 13, 2019 Prosper Portland Board meeting, staff will also provide an update on Broadway Corridor asset holding costs and relocation options for the USPS retail facility.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

The USPS property and broader Broadway Corridor effort represents one of Prosper Portland's most significant opportunities to advance the goals of the agency's Strategic Plan, as the size and location provide the potential to realize Prosper Portland's vision for an equitable economy by advancing prosperity, creating a vibrant neighborhood, and supporting living wage jobs. More specific to this action, authorizing the security contract will ensure that that the agency is maintaining a healthy, complete neighborhood that feels safe, clean, and inspires pride among residents.

BACKGROUND AND CONTEXT

The Broadway Corridor, and particularly the USPS Property (which Prosper Portland and the City of Portland Housing Bureau acquired in September 2016), has been identified as perhaps the most significant redevelopment opportunity within Portland’s Central City through multiple Portland City Council (City Council) adopted land use and development plans. The Broadway Corridor is a key opportunity site for high-density employment, mixed-income housing, and signature city attractions and amenities. The USPS Property offers the potential to create nearly four million square feet of new economic, business, social and community development opportunities.

USPS Property

USPS finalized construction on its relocation site at NE Cornfoot Road in April 2018; completed relocation by June 2018; and dismantled and relocated the equipment located in the former distribution center and office floors by January 2019. Throughout this period, USPS was responsible for securing the site. On February 1, 2019, USPS initiated the “retail only” option confirming that only the retail and post office box counters remained in USPS use. This initiation of “retail only” meant that Prosper Portland was now responsible for the maintenance and security of the majority of the site. While the retail component remains for now, the remainder of the property will be vacant until the entire building is demolished to support redevelopment activity.

Block Y and Station Place Garage

Acquired in 1987, both Block Y and the Station Place Garage were part of the larger Union Station land acquisition and were eventually improved for public parking. These properties were added to the City Center Parking Master Parking Agreement on July 1, 2018. Shortly after execution of the Master Parking Agreement, City Center Parking conducted a property needs assessment on Block Y and the Station Place Garage and determined a need for more robust security.

Security Request for Proposals

Prosper Portland released Request for Proposals (RFP) #18-01 on July 25, 2018 for security services at the USPS property; five proposals were ultimately submitted. An Evaluation Committee consisting of four Prosper Portland staff examined:

- Qualifications and Experience of Firm and Personnel
- Project Approach and Recommendations
- Certification Status and Subcontracting Plan

The Evaluation Committee noted the following observations during the evaluation process:

- Safeguard is a locally owned, family operated, and certified minority small business with a proven track record of successfully providing security services for large sites;
- Safeguard is committed to the promotion of equity by utilizing another certified minority small business for its subcontracting of a site trailer, fencing, porta-potties, and emergencies maintenance needs;
- Safeguard has a high percentage of employees who are people of color;
- Safeguard employees have extensive experience working with at-risk and houseless populations around the city. This experience also included working with the Office of Mayor Charlie Hales on policy development for houseless populations and working with the Department of Community Justice for service delivery for individuals seeking transitional housing, addiction, mental health services, food resources, transportation, and employment assistance.

- Safeguard has deep relationships and experience with community stakeholders including Transition Projects, Central City Concern, JOIN, Multnomah County Health Department, and Downtown Clean & Safe.

Ultimately, the Evaluation Committee identified Safeguard as the most qualified firm to provide security services for the Broadway Corridor properties.

As the USPS continued to move its operations to the new facility, Prosper Portland staff recognized that additional security presence on site would be necessary. Given that Safeguard had been selected as the security contractor, Prosper Portland, with USPS approval, entered into an interim contract with Safeguard to patrol the exterior perimeter sidewalk areas of the site while the three-year contract was being written. This interim contract gave Safeguard an opportunity to become acquainted with the property and neighborhood and establish a regular presence before the USPS completely vacated the site.

On January 1, 2019, Safeguard started 24/7 exterior perimeter patrols of the USPS property with two guards who performed the 1.6-mile patrols on-foot. The patrol route for the USPS property bordered Block Y and the Station Place Garage which has five-levels of public parking, several street level access points, and two stairwells. With City Center Parking's recommendation to increase security at Block Y and the Station Place Garage, and Safeguard already patrolling the area as part of their interim contract for the USPS property, staff directed Safeguard to consolidate security patrol efforts in the area.

As of February 1, 2019, Safeguard has employed an additional 16 guards to patrol the USPS property, Block Y, and Station Place Garage under the interim contract. Patrols are 24/7 and are based on 8 hours shifts on the weekdays and 12-hour shifts on the weekends, with a supervisor assigned to each shift. There are always four guards monitoring the sites, with one guard assigned to the interior perimeter of the USPS property, one guard assigned to the Station Place Garage, and two who patrol the perimeter and Block Y. The guards change locations and rotate the frequency of patrols to ensure movement does not become stagnant. All guards have experience working with at-risk communities.

EQUITY IMPACT

Prosper Portland has a compelling interest to ensure that the agency's owned projects provide opportunities for State of Oregon Certified firms (Minority-Owned, Women-Owned Disadvantaged, and Emerging Small Businesses, or M/W/D/ESBs).

The Broadway Corridor also has its own guiding principle on equity:

- Promote social equity, reducing disparities, and extending community benefits
 - Project goal #7 Improve socio-economic opportunities for people of color, such as through affordable commercial space for diverse businesses, workforce training, and contracting opportunities.

Therefore, as a certified, minority-owned firm with 50 percent of employees identifying as people of color and/or women, Safeguard meets broader agency and Broadway Corridor specific equity objectives. For this contract there will be 18 guards, both full time and part-time:

- Four women
 - 1 - African American
 - 1 - Native American
 - 1 - European Immigrant
 - 1 - White
- Fourteen males
 - 4 - Latino

- 5 - African American
- 5 - White

Safeguard provides wages above minimum wage with an opportunity to receive a performance-based \$.50 per hour increase every six months, paid time off, and uniforms. Safeguard has also been able to provide accident/illness insurance that serves as income replacement.

All guards receive training in communication and de-escalation techniques through the State of Oregon Department of Public Safety, Standards, and Training Certification process, as well as Verbal Judo training, a communication style that prevents potential conflicts from escalating. In addition, Safeguard is a family-owned business where mentorship, coaching, and conflict resolution are common practices in the workplace.

This contract represents a significant step in the growth and evolution of Safeguard. The company has been able to add patrolling vehicles, signage, an on-site trailer, and have heightened their company's visibility in the downtown core. This contract will position Safeguard as the largest minority-owned security firm in the state.

COMMUNITY PARTICIPATION AND FEEDBACK

While staff did not specifically seek out community participation, the selection has been shared with the Broadway Corridor Streeting Committee as well as through a set of frequently asked questions created by Prosper Portland staff and posted on the Broadway Corridor webpage.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the fiscal year (FY) 2018-19 River District URA Revised Budget and Forecast (see Attachment B), including the following resources for security services:

- USPS Property - \$240,000 (FY 2018-19), \$575,000 (FY 2019-20)
- Block Y - \$23,000 (FY 2018-19), \$50,000 (FY 2019-20)
- Station Place Garage - \$85,000 (FY 2018-19), \$180,000 (FY 2019-20)

Prosper Portland anticipates that at the end of demolition on the processing and distribution building, security costs related to the USPS property will decrease, as sight lines throughout the property will improve. Security for Block Y and the Station Place Garage will not be affected by the site changes at the USPS property.

RISK ASSESSMENT

There are few risks to authorizing the contract with Safeguard. Not authorizing a security contract could expose Prosper Portland to increased property maintenance costs, unauthorized access to the properties, and the inability to achieve strategic objectives for the neighborhood.

ATTACHMENTS

- A. Aerial and Security Patrol Route
- B. River District URA Financial Summary

Aerial and Security Patrol Route



River District URA Financial Summary

**Financial Summary
 Five-Year Forecast**

<u>River District URA Fund</u>	<u>Revised 1 FY 2018-19</u>	<u>Requested FY 2019-20</u>	<u>Forecast FY 2020-21</u>	<u>Forecast FY 2021-22</u>	<u>Forecast FY 2022-23</u>	<u>Forecast FY 2023-24</u>
Resources						
Beginning Fund Balance	53,674,233	52,325,904	37,098,103	32,638,133	20,368,616	13,964,968
Revenue						
Fees and Charges	6,002	3,380	3,578	3,616	2,110	-
Grants - Federal except HCD	181,318	-	-	-	-	-
Interest on Investments	1,523,577	1,047,215	946,169	914,328	732,585	669,670
Loan Collections	436,981	455,162	477,069	492,486	493,104	477,409
TIF - Short Term Debt	27,972,000	12,987,000	11,140,985	-	-	-
Other Debt	9,500,000	-	-	-	-	-
Property Sales	-	17,200,000	-	-	-	-
Rent and Property Income	2,343,080	2,263,000	2,263,000	2,263,000	2,367,158	1,204,000
Reimbursements	136,000	100,000	100,000	100,000	-	-
Transfers In	-	-	40,837,000	-	-	-
Total Revenue	42,098,958	34,055,757	55,767,801	3,773,430	3,594,957	2,351,079
Total Resources	95,773,191	86,381,661	92,865,904	36,411,563	23,963,573	16,316,047
Requirements						
Administration						
A00025-Debt Management-RVD	971,904	971,904	34,290,319	33,098	33,098	33,098
Administration Total	971,904	971,904	34,290,319	33,098	33,098	33,098
Economic Development						
Traded Sector						
A00110-Business Development-RVD	50,000	-	-	-	-	-
Community Economic Development						
A00084-OT/CT Action Plan-RVD	65,000	-	-	-	-	-
Economic Development Total	115,000	-	-	-	-	-
Housing						
A00166-Affordable Housing-RVD	7,949,097	8,233,710	6,392,199	1,308,077	-	-
Housing Total	7,949,097	8,233,710	6,392,199	1,308,077	-	-
Infrastructure						
Public Facilities						
A00483-Union Station Grant-RVD	550,000	-	-	-	-	3,500,000
Infrastructure Total	550,000	-	-	-	-	3,500,000
Property Redevelopment						
Real Estate Management						
A00276-Post Office-RVD	2,375,000	2,426,000	1,617,334	808,667	808,667	808,667
A00278-4th and Burnside-RVD	30,000	16,000	16,000	-	-	-
A00285-Block Y-RVD	40,637	120,600	120,600	120,600	120,600	120,600
A00286-Union Station-RVD	1,183,675	3,738,190	1,688,190	1,688,190	1,688,190	1,688,190
A00288-Centennial Mills-RVD	308,657	66,200	-	-	-	-
A00289-Station Place Lot 5-RVD	5,000	-	-	-	-	-
A00290-Station Place Prkng-RVD	270,008	712,600	537,600	537,600	537,600	537,600
A00291-Block R-RVD	86,510	36,000	36,000	36,000	36,000	36,000
A00292-One Waterfront North-RVD	108,200	29,500	1,000	1,000	1,000	1,000
A00293-Old Fire Station Mgmt-RVD	1,006,678	280,700	-	-	-	-
A00558-RD Small Lots - 9th & Naito-RVD	3,000	7,500	7,500	7,500	7,500	7,500
A00587-Block 25-RVD	-	41,000	31,000	-	-	-
Real Estate Predevelopment						
A00276-Post Office-RVD	-	7,785,000	9,080,000	5,080,000	80,000	80,000
A00278-4th and Burnside-RVD	-	30,000	5,000	-	-	-
A00293-Old Fire Station Mgmt-RVD	-	5,000	-	-	-	-
A00587-Block 25-RVD	-	105,000	50,000	-	-	-
Real Estate Disposition						
A00288-Centennial Mills-RVD	-	1,600,000	-	-	-	-
Redevelopment Strategy						
A00279-Broadway Corridor-RVD	2,194,699	975,000	-	-	-	-
A00280-10th & Yamhill Redev-RVD	4,038,912	-	-	-	-	-
A00284-Multnomah County-RVD	9,500,000	-	-	-	-	-
A00517-OT/CT Investment & Parking-RVD	7,665,308	15,675,882	-	-	-	-
Redevelopment Grants						
A00390-CLG-General-RVD	152,519	100,000	100,000	100,000	100,000	100,000
A00497-Prosperity Investment Program (PIP) Grant-RVD	450,000	250,000	250,000	250,000	250,000	250,000
Property Redevelopment Total	29,418,803	34,000,172	13,540,224	8,629,557	3,629,557	3,629,557
Total Program Expenditures	39,004,804	43,205,786	54,222,742	9,970,732	3,662,655	7,162,655
Personnel Services	1,098,318	1,157,912	1,135,246	1,149,292	1,195,346	1,125,999
Total Fund Expenditures	40,103,122	44,363,698	55,357,988	11,120,024	4,858,001	8,288,654
Interfund Transfers - Indirect Charges	5,954,028	4,919,860	4,869,783	4,922,923	5,140,604	5,151,527
River District URA Fund	Revised 1 FY 2018-19	Requested FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24
Contingency	49,716,041	37,098,103	32,638,133	20,368,616	13,964,968	2,875,866
Total Fund Requirements	95,773,191	86,381,661	92,865,904	36,411,563	23,963,573	16,316,047