DATE: May 8, 2019
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 19-13
Endorsing the Preferred Concept to Inform Redevelopment of the Broadway Corridor

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7307

This action by the Prosper Portland Board of Commissioners (Board) will endorse a preferred concept to inform development planning for the Broadway Corridor (Preferred Concept). The Preferred Concept will be refined over the next several months in consultation with the Broadway Corridor Steering Committee, Public Partners Technical Team, the general public, the consultant team led by ZGF Architects (ZGF), and Continuum Partners (Continuum) as developer advisor.

The 32-acre Broadway Corridor study area (Study Area) is located in the River District Urban Renewal Area (URA) and encompasses several Prosper Portland-owned properties including the 14-acre United States Postal Service (USPS) Property, Union Station, Block Y, the Broadway Bridge Site, and Block R (see Attachment A).

The Preferred Concept will inform the Development Plan for the Broadway Corridor and the required Central City Master Plan for the USPS Property, which is subject to a Type III Land Use Review approval by the Portland Design Commission.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

The planning for and redevelopment of Broadway Corridor represents one of Prosper Portland’s most significant opportunities for advancing goals of the agency’s Strategic Plan. The location and size of Broadway Corridor represents an opportunity to realize Prosper Portland’s vision for an equitable economy by advancing prosperity, creating a vibrant neighborhood, and supporting living wage jobs. The project’s vision statement, guiding principles, and goals identified by the Broadway Corridor Steering Committee reflect the priorities of:

- Creating a healthy, vibrant, and complete neighborhood serving a diverse mixed-income population;
- Providing access to high quality employment and career pathways through partnerships with large anchor employers as well as small and mid-size businesses;
- Fostering wealth creation and shared prosperity, particularly for people of color, through affordable commercial space, workforce training, and contracting opportunities during construction and ongoing operations; and
- Leveraging partnerships through collaboration with the City of Portland (City) Housing Bureau (PHB), engagement of the project’s Public Partners Technical Team, coordination with potential philanthropic partners, and robust community engagement.
BACKGROUND AND CONTEXT

The Broadway Corridor, and particularly the USPS Property, 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. Prosper Portland, in partnership with PHB, acquired the USPS Property in September 2016.

Development planning activities commenced in June 2018, including extensive engagement of the project’s Steering Committee and Public Partners Technical Team, a robust community engagement strategy, and coordination with Continuum and the ZGF-led consultant team. Over the past ten months, preliminary development concepts have been prepared by the consultant team, tested with project stakeholders, and refined based on input received, resulting in three refined concepts. The three concepts assume a consistent mixed-use, high-density development and delivery of community benefits, with the following key variations in public realm attributes:

- **Play**: Centralized open space emphasizing flexibility for community programming and opportunity for active recreation.
- **Nature**: Centralized open space emphasizing integration of nature in an “urban forest” experience and a configuration of streets and bike/pedestrian pathways that breaks from the traditional Portland street grid.
- **Discovery**: Dispersed series of urban plazas connected by alleyways and an emphasis on a large plaza area adjacent to Union Station.

In March 2019, a final round of evaluation input on the three refined concepts was received from the Steering Committee (regarding alignment with the project’s guiding principles and goals), the Public Partners Technical Team (regarding agency/bureau policies and investment priorities), and Continuum (regarding feasible implementation).

In early April 2019, leadership from Prosper Portland, PHB, Bureau of Planning and Sustainability, the Mayor’s Office, and Continuum reviewed the evaluation feedback and discussed which of the concepts best delivers on the project’s guiding principles and goals, the City’s investment priorities, and feasible implementation. Based on this consultation, the recommended Preferred Concept is based on the “Play” concept with the following considerations for further refinement over the next four months to ensure an active, welcoming, and safe public realm:

- **Green Loop**: Clarify the vision while identifying opportunities for cost savings, minimizing phasing impacts on adjacent development, and integrating Universal Design principles.
- **Union Station**: Ensure activation and integration of Union Station, including a safe and inviting public realm beneath the Broadway Bridge.
- **Public Realm Programming and Activation**: Pursue a funding and partnership strategy for long-term public realm programming and safety as part of coordinated investment strategy and project agreements; integrate amenities for families such as a children’s playground.
- **Natural Environment & Green Infrastructure**: Increase integration of the natural environment within publicly accessible spaces; express Portland’s leadership in green development.
- **Phasing, Density, & Parcellation**: Explore how to best balance opportunities for incremental development, multiple ownership opportunities, and affordable commercial opportunities while also accommodating the city’s forecasted growth.

At the May 8, 2019 Prosper Portland Board meeting, staff will also seek feedback from the Board on any other areas to inform further refinement.
Shortly after the endorsement of a Preferred Concept, several activities will commence to continue to move this work forward, including:

- **Refinement of the Preferred Concept**: Staff and the consultant team will continue to engage the Steering Committee, Public Partners Technical Team, general public, and Continuum through July 2019 to make the concept the best it can be, including addressing the considerations above along with any further input from the Prosper Portland Board.
- **Community Benefits**: Staff will continue to refine priorities based on community input and continue to meet with the Healthy Communities Coalition to inform how best to align community benefit priorities with the Preferred Concept and available resources.
- **Central City Master Plan Land Use Review Approval**: Staff will initiate the required Central City Master Plan Land Use Review approval for the USPS Property, including a pre-application conference on June 4, 2019 and Design Advice Requests on June 6, 2019 and July 11, 2019.

**EQUITY IMPACT**

Prosper Portland is pursuing planning and redevelopment of the Broadway Corridor with an intentional focus on ensuring all communities have an opportunity to engage in and benefit from its redevelopment. This project approach has been informed by a Racial Equity Impact Assessment, which included an internal audit of past Prosper Portland projects and identified ways to interrupt the status quo to lead to more equitable outcomes.

The Broadway Corridor project team, including staff, consultants, Continuum, and the Steering Committee, are committed to promoting social equity by reducing disparities, extending community benefits, building affordable housing, and improving socio-economic opportunities for underserved and underrepresented people. The project team is also committed to true and authentic community engagement and intentionally involving underserved and underrepresented communities in the decision-making process, design, and build-out of the project.

The recommended Preferred Concept is consistent with the preliminary principles of design for racial and social equity identified by the consultant team in consultation with community stakeholders, which emphasize preferences for:

- Public spaces to “just be,” including places to sit that don’t appear to be connected to a building or a business; places for groups to gather; and places that don’t feel like one needs a specific purpose, activity, or transaction to be there;
- Spaces in buildings and within the public realm to accommodate businesses serving low-income customers, particularly with respect to food and drink, including affordable retail space in buildings and designated spaces for food carts or other street vendors; and
- Avoiding excessive or unnecessary spending on infrastructure that may limit resources available for other community priorities.

**COMMUNITY PARTICIPATION AND FEEDBACK**

A robust engagement strategy has informed the development planning work, including monthly meetings of the project’s Steering Committee and Public Partners Technical Team, three public open houses and online forums, several focus groups, and multiple one-on-one stakeholder interviews. The Steering Committee will continue to advise on the Development Plan and the community benefit priorities through July 2019 and will inform Prosper Portland’s position going into negotiations of various project related agreements.

The recommended Preferred Concept, including the noted areas for further refinement, is reflective of stakeholder feedback received to-date. When asked to rank the concepts in order of preference, Play
was the first or second choice of the Steering Committee, Public Partners Technical Team, and Continuum. The Steering Committee perceived Play to have the strongest alignment with three of the project’s Guiding Principles: Connected, Equitable, and Vibrant. It had the second highest alignment with Prosperous and Resilient. (The Steering Committee also noted that evaluating alignment with the Prosperous and Accountable Guiding Principles was challenging due to the level of information available.) The Play concept was also estimated to require less public investment than the other concepts and had the strongest alignment with the investment priorities of Portland Bureau of Parks and Recreation, therefore increasing feasible implementation and resources for other community benefits. The areas for further refinement noted above reflect identified weaknesses of the concept and/or desirable attributes of the other two concepts.

**BUDGET AND FINANCIAL INFORMATION**

The Adopted Fiscal Year (FY) 2018-19 River District URA Budget includes $2,194,699 to support the development planning and community engagement activities. There are additional resources included in the Forecasted FY 2019-20 River District URA Budget to support this work and for future public investment in the redevelopment of the USPS Property (see Attachment B).

**RISK ASSESSMENT**

The action under consideration endorses a Preferred Concept, providing direction to staff and the consultant team to inform the completion of development planning for the redevelopment of the Broadway Corridor.

The Prosper Portland Board may elect to endorse the recommended Preferred Concept (with or without additional direction for further refinement); endorse an alternate refined development concept; or direct staff and/or the consultant team to complete additional work prior to the endorsement of a Preferred Concept.

At minimum, the completion and approval of a Central City Master Plan, as defined by City code and subject to Land Use Review approval by Design Commission, is required prior to commencing redevelopment of the USPS Property. Prosper Portland is required to repay the line of credit provided by the City to make available resources for the acquisition of the USPS Property by June 2022. Resources from a transaction on the USPS Property are necessary for timely repayment. Significant schedule delays or changes in financial feasibility would necessitate refinancing and/or finding alternate means for repaying the line of credit.

**ATTACHMENTS**

A. Broadway Corridor Study Area Map
B. URA Financial Summary
## URA Financial Summary

### River District URA Fund

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<td>Beginning Fund Balance</td>
<td>53,674,233</td>
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<td>Grants - Federal except HCD</td>
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<td>Interest on Investments</td>
<td>1,523,577</td>
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<td>Loan Collections</td>
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<td>TIF - Short Term Debt</td>
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<td>Other Debt</td>
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<td>Rent and Property Income</td>
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<td>Reimbursements</td>
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<td>Transfers In</td>
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<td>Total Revenue</td>
<td>42,098,958</td>
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<td>55,767,801</td>
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<td>Total Resources</td>
<td>95,773,191</td>
<td>86,381,681</td>
<td>92,865,904</td>
<td>36,411,563</td>
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### Requirements

- Administration
  - A00025-Debt Management-RVD: 971,904
  - Administration Total: 971,904

- Economic Development
  - Traced Sector
    - A00110-Business Development-RVD: 50,000
  - Community Economic Development
    - A0084-OT/CT Action Plan-RVD: 65,000
    - Economic Development Total: 115,000

- Housing
  - A0016-Fordable Housing-RVD: 7,945,097
  - Housing Total: 7,945,097

- Infrastructure
  - A00483-Union Station Grant-RVD: 550,000
  - Infrastructure Total: 550,000

### Property Redevelopment

### Real Estate Management

### Real Estate Redevelopment

### Redevelopment Grants

### Redevelopment Strategy

### Total Program Expenditures

### Total Fund Expenditures

### Total Fund Requirements

May 8, 2019