



PROSPER
PORTLAND
Building an Equitable Economy

DATE: March 8, 2023
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 23-05
Authorizing a Grant Agreement with AM/DRI Willamette LLC to Fund Greenway Improvements in the North Macadam Tax Increment Finance District

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7478

This action by the Prosper Portland Board of Commissioners (Board) will authorize the execution of a Grant Agreement with AM/DRI Willamette LLC (Alamo Manhattan) to fund an interactive water feature and plaza enhancements within the South Waterfront Greenway (Greenway) improvements in the North Macadam Tax Increment Finance (TIF) District. If approved, Prosper Portland will provide \$749,000 to Alamo Manhattan for construction of an interactive water feature and plaza enhancements as part of the Greenway that will result in approximately 600 feet of publicly accessible open space along the Willamette River adjacent to a new multiple-block, mixed-use, mixed-income housing development project (see a Site Location in Attachment A).

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action meets the agency's Strategic Plan objective of creating healthy, complete neighborhoods by supporting improvements in open space, access, recreation, and connectivity in a mixed-income community.

BACKGROUND AND CONTEXT

In 2004, Portland City Council adopted the South Waterfront Greenway Development Plan, creating a vision and concept plan for the entire South Waterfront Greenway, with the goal of providing public access from RiverPlace to the north, to Johns Landing to the south. Since the majority of this riverfront property is privately-owned, construction of the Greenway is only triggered when property owners elect to invest in development of adjacent parcels.

Alamo Manhattan, which was founded in 2010 in Dallas, Texas, has recently completed two apartment projects in Portland, including The Dylan, which is in the South Waterfront neighborhood. The Alamo Manhattan Blocks, which are currently under construction, are located on an approximately ten-acre site at the intersection of SW Bond Avenue and SW Lane St. and will consist of five buildings with approximately 1,200 residential units, including 119 affordable housing units, and 22,000 square feet of ground-floor commercial space (see Project Renderings in Attachment B). Of the five buildings, two will be 23 stories of concrete high-rise construction along the river, and the remaining three will be five or six stories of wood-framing above a concrete podium and subgrade parking garage. The Alamo Manhattan Blocks project will also include an extension of the surrounding street grid and construction

of the Greenway, including walking trails, an interactive water feature, native landscaping, and a river overlook.

Alamo Manhattan has proposed to construct Greenway improvements that include design elements that exceed code requirements and are priorities for the City of Portland Parks and Recreation. As such, Prosper Portland has offered to provide up to \$749,000 in North Macadam TIF funds through the Grant Agreement that will allow Alamo Manhattan to construct an interactive water feature and plaza enhancements that will help complete the Greenway on this section of the Willamette River. Alamo Manhattan requested a determination from Oregon Bureau of Labor and Industries (BOLI) if prevailing wages apply to the Greenway interactive water feature and plaza enhancements; BOLI concluded that these improvements do not meet the definition of a public works project and are not subject to prevailing wage laws.

The Greenway improvements and Blocks 41 and 42 of the Alamo Manhattan Blocks projects are expected to be constructed by the end of 2023; Blocks 44 and 45 will likely be completed by 2025.

EQUITY IMPACT

Prosper Portland's Construction and Business Workforce Equity Policy will apply to the scope of work included in the Grant Agreement, including provisions on workforce goals, compliance reporting, and liquidated damages for noncompliance, if necessary. As noted, the Greenway will also provide public access along the Willamette River in a mixed-income neighborhood.

COMMUNITY PARTICIPATION AND FEEDBACK

As part of the annual budget development process, Prosper Portland staff engages with the South Portland Neighborhood Association (SPNA) on North Macadam TIF district priorities. SPNA, which represents the Lair Hill, Corbett, Johns Landing, Terwilliger, Fulton, and South Waterfront neighborhoods, has regularly advocated for infrastructure investments, including completion of SW Bond Avenue; the South Portal connection; and the Greenway. In addition, City Council adoption of the South Waterfront Greenway Development Plan in 2004, occurred after 1.5 years of intense collaboration led by Portland Parks and Recreation to incorporate design elements generally accepted by the community and all stakeholders.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the fiscal year 2023-24 North Macadam TIF Budget and Forecast for this proposed action (see Attachment C).

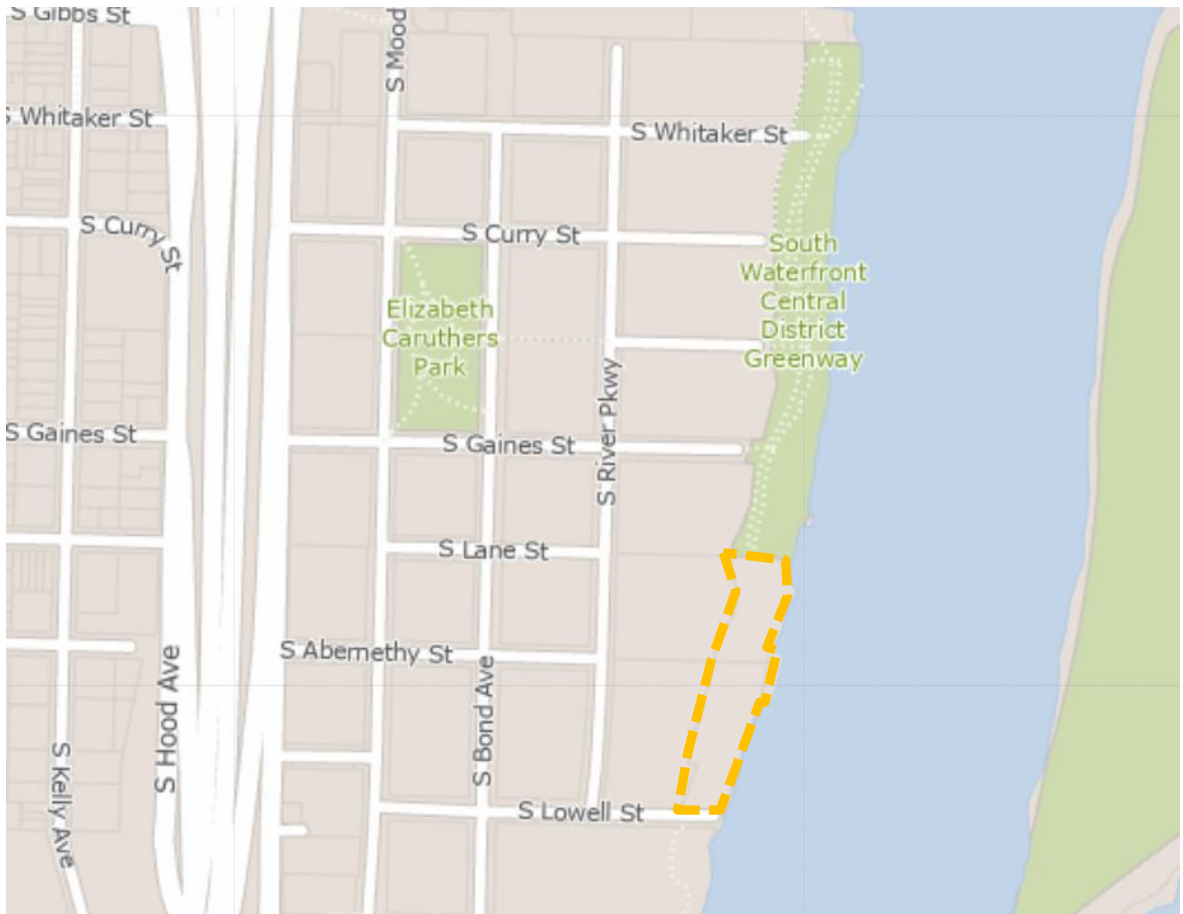
RISK ASSESSMENT

There are no significant risks to this action. Prosper Portland will inspect the interactive water feature and plaza enhancements and cost invoices after construction completion, and then reimburse Alamo Manhattan up to, but not more than, \$749,000.

ATTACHMENTS

- A. Site Location
- B. Alamo Manhattan Blocks Renderings
- C. North Macadam Tax Increment Finance District Budget and Forecast

SITE LOCATION



ALAMO MANHATTAN BLOCK RENDERINGS



NORTH MACADAM TAX INCREMENT FINANCE DISTRICT BUDGET AND FORECAST

**Financial Summary
 Five-Year Forecast**

<u>North Macadam TIF Fund</u>	<u>Revised 2 FY 2021-22</u>	<u>Adopted FY 2022-23</u>	<u>Forecast FY 2023-24</u>	<u>Forecast FY 2024-25</u>	<u>Forecast FY 2025-26</u>	<u>Forecast FY 2026-27</u>
Resources						
Beginning Fund Balance	38,232,551	34,870,753	32,712,621	30,906,332	31,284,780	21,098,050
Revenue						
Interest on Investments	111,586	79,651	104,893	218,978	-	-
TIF - Short Term Debt	16,983,000	16,983,000	16,983,000	16,983,000	-	-
TIF - Long Term Debt	0	-	-	5,376,292	-	-
Rent and Property Income	143,446	184,183	223,853	279,691	349,489	419,287
Total Revenue	17,238,032	17,246,834	17,311,746	22,857,961	349,489	419,287
Total Resources	55,470,583	52,117,587	50,024,367	53,764,293	31,634,269	21,517,337
Requirements						
Administration						
A00024-Debt Management-NMC	31,353	15,337	20,000	20,000	20,000	-
Administration Total	31,353	15,337	20,000	20,000	20,000	-
Housing						
A00165-Affordable Housing-NMC	15,311,772	4,225,230	13,641,668	1,925,578	-	-
Housing Total	15,311,772	4,225,230	13,641,668	1,925,578	-	-
Infrastructure						
Transportation						
A00589-Infrastructure Investments-NMC	3,475,000	3,750,000	2,000,000	3,000,000	-	-
Infrastructure Total	3,475,000	3,750,000	2,000,000	3,000,000	-	-
Property Redevelopment						
Real Estate Management						
A00273-RiverPlace Prkng-NMC	81,945	85,958	92,434	98,480	107,422	115,864
A00560-South Waterfront Lot 4-NMC	17,300	17,300	-	-	-	-
A00618-Portland Center Park	1,000	-	-	-	-	-
Real Estate Disposition						
Redevelopment Strategy						
A00274-Project Development-NMC	0	-	-	16,000,000	9,400,000	-
A00533-University Place-NMC	0	9,600,000	-	-	-	-
A00633-Fourth Avenue Bldg-NMC	0	-	2,000,000	-	-	-
Property Redevelopment Total	100,245	9,703,258	2,092,434	16,098,480	9,507,422	115,864
Total Program Expenditures	18,918,370	17,693,825	17,754,102	21,044,058	9,527,422	115,864
Personnel Services	39,302	170,965	16,661	17,411	11,797	7,641
Total Fund Expenditures	18,957,672	17,864,790	17,770,763	21,061,469	9,539,219	123,505
Interfund Transfers - Indirect Charges	1,642,158	1,540,176	1,347,272	1,418,044	997,000	679,288
Contingency	34,870,753	32,712,621	30,906,332	31,284,780	21,098,050	20,714,544
Total Fund Requirements	55,470,583	52,117,587	50,024,367	53,764,293	31,634,269	21,517,337