



PROSPER
PORTLAND
Building an Equitable Economy

DATE: July 12, 2023
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 23-23

Authorizing an Exemption to the Prosper Portland Green Building Policy for a Special Authority Grant Supporting the Portland Art Museum Expansion Project in the South Park Blocks Tax Increment Finance District

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7497

This action by the Prosper Portland Board of Commissioners (Board) will approve a term sheet for a special authority grant (Grant) supporting the Portland Art Museum (PAM) expansion project in South Park Blocks Tax Increment Financing (TIF) district that includes an exemption to Prosper Portland's Green Building Policy. If approved, Prosper Portland will provide PAM with a \$250,000 Grant to make improvements to the café and gift shop as part of a larger \$110,000,000 project that includes the renovation of the two main buildings and an addition that connects them known as the Mark Rothko Pavilion (see a map in Attachment A and photos and renderings in Attachment B).

STRATEGIC ALIGNMENT AND OUTCOMES

This action aligns with Prosper Portland's goal of forming 21st century civic networks, institutions, and partnerships.

BACKGROUND AND CONTEXT

PAM was founded in late 1892 when a handful of leaders from the city's business and cultural institutions established the Portland Art Association. Its goal was to create a first-class art museum that would be accessible to all citizens. The museum occupied multiple locations throughout its history before acquiring two parcels along Park Avenue -- the Main Building in 1932 and later as Masonic Temple now known as the Mark Building in 1994. It has gone through multiple renovations to create more space to keep pace with its expanding art collections.

The Main and Mark buildings are historic and will be retained and retrofitted to accommodate the majority of the desired program. The addition of the Mark Rothko Pavilion is new construction and represents roughly only ten percent of the overall facility. It will connect the museum's two main buildings that are currently separated by a pedestrian easement. The main floor will serve as a free public space featuring seating and direct access to the café and store (the Grant scope). Improving accessibility is a key priority for the project in connecting the two-museum including widening sidewalks,

adding push button doors and easy-to-find ramps as well as adding gender-neutral bathrooms on all floors and improved access to public transportation including the Portland Streetcar.

This project has been a long-time vision for PAM and its sustainability strategy for the renovation and expansion were underway prior to Prosper Portland's involvement. Museum projects can be unique compared to other building types as they require stringent controls over the interior climate, ventilation, and lighting. They have different energy and water needs, due to higher visitor traffic. At the outset of design, PAM and its design team, which included LEED consultant, BrightWorks conducted an Eco-Charrette to identify opportunities for sustainability. One of the outcomes from the full day charrette was a completed LEED v4 Scorecard which established LEED Silver equivalent as a baseline for the project, with LEED Gold being an attainable goal if the project were to be submitted for certification.

Although the project is not being formally LEED Certified, the design team led by Hennebery Eddy Architects has taken a "Net+" approach throughout the design process. The Net+ approach takes into consideration factors such as energy and water efficiency, sustainable materials, occupant health and happiness, equity, and inclusion, all of which align with the objectives of Prosper Portland's Green Building Policy. (Please see Attachment C). Prosper Portland is the only public entity making a financial contribution to the project and given our timing for entry into the project, the focus of the grant (museum café and the gift shop), and level of investment in the project, staff recommends using PAM's sustainability strategy in place of the agency's Green Building Policy.

Prosper Portland is using this opportunity to partner with PAM to continue to advance shared goals and priorities. For instance, PAM will become a member of Portland Means Progress (PMP), a citywide initiative that provides connections for businesses and organizations to increase opportunities to support residents through hiring and purchasing programs as well as access to trainings for their inward culture change. Becoming a member of PMP includes submitting baseline data to track the activities that PAM would make toward intentional purchasing goals, which includes submitting annual data reporting that is Prosper Portland collects annually. They will also work with Prosper Portland to promote Cultural Business Guides on its social media channels throughout the year and leverage other opportunities where programs align such as events, pop-ups, and activations to leverage each other's programming.

EQUITY IMPACT

Prosper Portland's investment in PAM's project provides community and public benefits including:

1. Expanded and improved cultural institution that will become more accessible for community members including the types of art exhibitions and patrons' physical ability to move through spaces.
2. Increase offerings in art rotations as well as opportunities to feature local vendors in the café and museum gift shop.

Prosper Portland's Construction and Business Workforce Equity Policy does not apply to this action, as the Grant amount is less than the \$300,000 policy trigger.

COMMUNITY PARTICIPATION AND FEEDBACK

Prosper Portland staff has attended the Downtown Neighborhood Association's Land Use and Transportation Committee and the Portland Business Alliance's Central City Committee meetings in the past where both entities expressed support for the agency's investment in the district's cultural institutions.

BUDGET AND FINANCIAL INFORMATION

Funds for this Grant were allocated in the prior fiscal year (FY 2022-23) Revised Budget and are not currently included in the current (FY 2023-24) Adopted Budget (see Attachment D). Staff will recommend adding carryover to the South Park Blocks TIF District Fund for the project as part of the recommended FY 2023-24 Revised 1 Budget to facilitate disbursement of the Grant. The Revised 1 Budget is anticipated to be brought to the Board in September 2023.

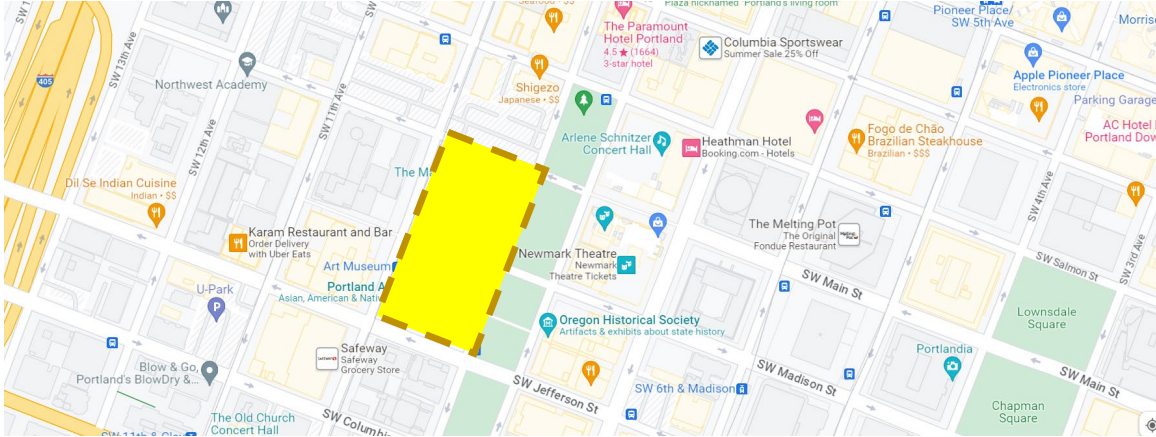
RISK ASSESSMENT

There are few risks to this proposed action. PAM has the financial resources required to make the improvements and will submit certified invoices to ensure the funds were spent on TIF-eligible improvements.

ATTACHMENTS

- A. PAM Map
- B. PAM Photos and Rendering
- C. PAM Sustainability Strategy
- D. South Park Blocks TIF District Budget

MAP



1119 and 1219 SW Park Avenue Portland, Oregon

PHOTOS AND RENDERINGS



Portland Art Museum Mark Rothko Pavilion Rendering



Expanded outdoor space, café, and gift shop



New Film & Media destination



New art exhibition space



Swigert Warren Community Commons: free public space

SUSTAINABILITY STRATEGY

PAM Rothko Pavilion and Renovation

LEED-CI v4 Scorecard

2/22/2019



47 25 32 3				Total Project Score				Certified 40-49 Silver 50-59 Gold 60-79 Platinum 80+			
Y	TY	TN	N	Y	TY	TN	N	Y	TY	TN	N
1			1	Integrative Process v4.1 Path				1-2			
18	0	0	0	Location and Transportation				18 Points Possible			
			1.8	Credit 1 LEED for Neighborhood Development Location				1.8			
8				Credit 2 Surrounding Density and Diverse Uses				1-8			
7				Credit 3 Access to Quality Transit				2-7			
1				Credit 4 Bicycle Facilities				1			
2				Credit 5 Reduced Parking Footprint				1-2			
4	4	4	0	Water Efficiency				12 Points Possible			
				Prereq 1 Indoor Water Use Reduction, 20%				n/a			
4	4	4		Credit 1 Indoor Water Use Reduction, 25%-50%				2-12			
7	13	18	0	Energy & Atmosphere				38 Points Possible			
Y				Prereq 1 Fundamental Commissioning and Verification				n/a			
Y				Prereq 2 Minimum Energy Performance				n/a			
Y				Prereq 3 Fundamental Refrigerant Management				n/a			
4	1			Credit 1 Enhanced Commissioning				4 or 5			
3	7	15		Credit 2 Optimize Energy Performance				1-25			
	2			Credit 3 Advanced Energy Metering				1 or 2			
		3		Credit 4 Renewable Energy Production				1-3			
	1			Credit 5 Enhanced Refrigerant Management				1			
	2			Credit 7 Green Power and Carbon Offsets				1-2			
5	1	5	2	Materials & Resources				13 Points Possible			
Y				Prereq 1 Storage and Collection of Recyclables				n/a			
Y				Prereq 2 Construction and Demolition Waste Management Planning				n/a			
1				Credit 1 Long-term commitment				1			
		2	2	Credit 2 Interiors Life-Cycle Impact Reduction				1-4			
1		1		Credit 3 Bldg Product Disclosure and Optimization: EPDs v4.1 Path				1-2			
	1	1		Credit 4 Bldg Product Disclosure and Optimization: Sourcing v4.1 Path				1-2			
1		1		Credit 5 Bldg Product Disclosure and Optimization: MIDs v4.1 Path				1-2			
2				Credit 6 Construction and Demolition Waste Management				1-2			
5	5	5	0	Indoor Environmental Quality				17 Points Possible			
Y				Prereq 1 Minimum IAQ Performance				n/a			
Y				Prereq 2 Environmental Tobacco Smoke Control				n/a			
2				Credit 1 Enhanced Indoor Air Quality Strategies				n/a			
2	1			Credit 2 Low-Emitting Materials v4.1 Path				n/a			
1				Credit 3 Construction Indoor Air Quality Management Plan				n/a			
	2			Credit 4 Indoor Air Quality Assessment				1 c			
		1		Credit 5 Thermal Comfort				n/a			
		1		Credit 6 Interior Lighting				n/a			
		3		Credit 7 Daylight				n/a			
	1			Credit 8 Quality Views				n/a			
	1			Credit 9 Acoustic Performance				n/a			
5	0	0	0	Innovation in Design				6 Points Possible			
1				Credit 1.1 Pilot Credit: Inclusive Design				n/a			
1				Credit 1.2 Pilot Credit: Biophilic Design for the Indoor Environment				n/a			
1				Credit 1.3 Innovation: WELL Features				n/a			
1				Credit 1.4 Innovation: Design for Active Occupants				n/a			
				Credit 1.5 Pilot Credit: TBD				n/a			
1				Credit 2 LEED™ Accredited Professional				n/a			
2	2	0	0	Regional Priority				4 Points Possible			
97205				Project Zip Code				n/a			
1				Credit 1.1 Regional Priority: Reduced Parking Footprint				n/a			
	1			Credit 1.2 Regional Priority: Optimize Energy Performance, 10% (13 pts)				n/a			
	1			Credit 1.3 Regional Priority: Construction and Demolition Waste Management				n/a			
		1		Credit 1.4 Regional Priority: Indoor Water Use Reduction, 40% (8 pts)				n/a			
		1		Credit 1.5 Regional Priority: BPDQ: Sourcing v4.1 Path				n/a			
		1		Credit 1.6 Regional Priority: Renewable Energy Production, 3% (2 pts)				n/a			

SOUTH PARK BLOCKS TIF DISTRICT BUDGET

**Financial Summary
 Forecast**

<u>South Park Blocks TIF Fund</u>	<u>Revised FY 2022-23</u>	<u>Adopted FY 2023-24</u>	<u>Forecast FY 2024-25</u>	<u>Forecast FY 2025-26</u>	<u>Forecast FY 2026-27</u>	<u>Forecast FY 2027-28</u>
Resources						
Beginning Fund Balance	2,556,559	1,631,912	492,760	242,016	165,917	172,057
Revenue						
Interest on Investments	12,783	19,105	7,256	6,901	6,140	6,202
Loan Collections	26,813	45,964	0	0	0	0
Total Revenue	39,596	65,069	7,256	6,901	6,140	6,202
Total Resources	2,596,155	1,696,981	500,016	248,917	172,057	178,259
Requirements						
Administration						
A00026-Debt Management-SPB	14,670	0	0	0	0	0
Administration Total	14,670	0	0	0	0	0
Housing						
A00167-Affordable Housing-SPB	400,000	0	0	0	0	0
Housing Total	400,000	0	0	0	0	0
Property Redevelopment						
Redevelopment Grants						
A00699-Art Museum-SPB	250,000	0	0	0	0	0
Property Redevelopment Total	250,000	0	0	0	0	0
Total Program Expenditures	664,670	0	0	0	0	0
Personnel Services	3,984	0	3,000	3,000	0	0
Total Fund Expenditures	668,654	0	3,000	3,000	0	0
Interfund Transfers - Indirect Charges	295,589	204,221	255,000	80,000	0	0
Interfund Transfers - Cash Transfers	0	1,000,000	0	0	0	0
Contingency	1,631,912	492,760	242,016	165,917	172,057	178,259
Total Fund Requirements	2,596,155	1,696,981	500,016	248,917	172,057	178,259