



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** December 13, 2023  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 23-40

Authorizing a Use Permit with the City of Portland Office of Management and Finance for Operation of a Navigation Center at 1111 NW Naito Parkway

### **BRIEF DESCRIPTION OF INFORMATION ITEM**

Board Resolution No. 7512

This action by the Prosper Portland Board of Commissioners (Board) will authorize execution of a Use Permit with the City of Portland (City) Office of Management and Finance (OMF) for the operation of a shelter and intensive case management facility (Navigation Center) located at 1111 NW Naito Parkway (Property) in the River District Tax Increment Finance District (see a Property Location in Attachment A). If approved, this action will allow the City to operate or contract operation of the Navigation Center, offering medical, dental, drug and alcohol treatment and veterinary services to individuals experiencing homelessness.

### **STRATEGIC ALIGNMENT AND OUTCOMES**

While the services provided by the Navigation Center do not directly meet Advance Portland objectives, the use permit will allow Prosper Portland to partner with private and municipal partners to address one of Portland's most pressing challenges.

### **BACKGROUND AND CONTEXT**

Prosper Portland acquired the Property in 1987 as part of the broader Union Station acquisition. Over time, Prosper Portland's disposition of property owned in the broader area have led to several successful redevelopment projects, including Station Place Garage, Courtyard Marriott, The Yards, Station Place Tower, and Ziba Design Studio.

Since 2000, Prosper Portland has partnered with several development partners to invest in and redevelop the Property, none of which led to ultimate investment and development. In June 2018, Prosper Portland kicked-off development planning activities for the Broadway Corridor project, including a Master Plan for the USPS Property. Following extensive engagement of community stakeholders and technical advisors, the Master Plan was approved by Portland Design Commission on August 20, 2020, establishing public infrastructure and open space requirements as well as density and ground floor use expectations of private development. The development planning work is also being closely coordinated with the Portland Housing Bureau to inform the delivery of the affordable housing commitments for the project.

In early 2018, Oregon Harbor of Hope (OHOH) contacted the Office of the Portland Mayor Ted Wheeler indicating their interest in locating the Navigation Center on the Property. Staff from Prosper Portland,

the Mayor’s Office, OMF, the Joint Office of Homeless Services of Multnomah County (JOHS), and OHOH negotiated general terms to temporarily locate and operate the Navigation Center on the Property. Prosper Portland and OMF executed a master lease agreement on February 4, 2019, with an initial term of two years, with three one-year options to extend for a maximum five-year lease term. OMF then subleased the Property to OHOH for construction and operation (with their partner, Transition Projects) of the Navigation Center. Operations, maintenance, and security have been collectively managed between OMF, JOHS, OHOH, and Transition Projects, with little to no involvement by Prosper Portland.

Given the Master Lease and the sublease will terminate on December 31, 2023, OMF has requested that Prosper Portland allow OMF to use the Property to operate or contract for operation of the Navigation Center directly. The term of this proposed Use Permit will commence on January 1, 2024, and will expire on August 31, 2028, unless terminated early in accordance with Section 1 or Section 7 of the Use Permit.

The Property contains elevated metals and petroleum constituents in the soil that have been found to pose a risk to public health. A June 1998 Record of Decision (ROD) requires soil capping and institutional controls as part of any redevelopment and reuse of the Property. In its letter dated June 15, 2018, the Oregon Department of Environmental Quality (DEQ) found that the capping elements installed as part of the construction of the Navigation Center would be acceptable as a temporary measure. Given OMF’s intent to continue operation of the Navigation Center longer than its initial contemplated period of use of five years, OMF will be solely responsible, at its cost and expense, for obtaining any required permits or authorizations necessary to allow the Navigation Center on the Property. OMF intends to seek a determination by DEQ that continued use of the Property for the Navigation Center with the Property’s existing capping elements is acceptable under the ROD. If DEQ does not provide this determination by December 1, 2024, then the Use Permit will automatically terminate. If DEQ determines that additional improvements or capping elements are required for continued use of the Property for the Navigation Center, then OMF will promptly install such improvements, at its sole cost and expense.

### **EQUITY IMPACT**

The Navigation Center will provide short-term shelter and supportive service opportunities for up to 120 persons of all ages and circumstances to embark on a path to permanent shelter and productive, healthy lives. By executing the Use Permit, Prosper Portland will allow OHOH and its partners to provide support and services to some of the city’s most vulnerable and marginalized individuals.

### **BUDGET AND FINANCIAL INFORMATION**

There are no direct budgetary impacts from this action, as the City is responsible for all site maintenance and operations costs.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

While Prosper Portland staff have not conducted any public participation related to this action, City staff have notified nearby neighborhood associations, attended and answered questions at a public meeting hosted by DEQ, and will be hosting a public information meeting on December 19, 2023.

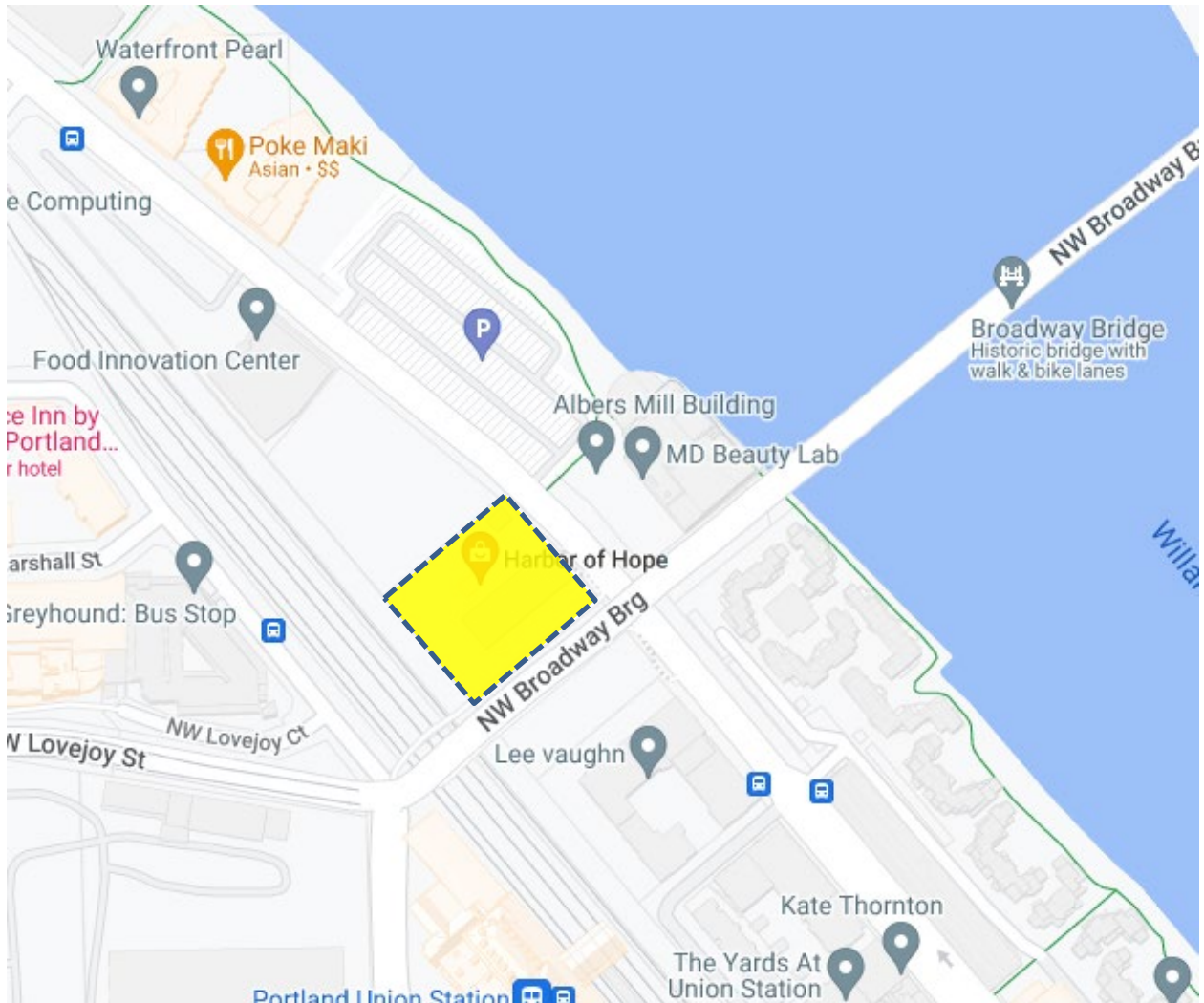
### **RISK ASSESSMENT**

There are few risks to Prosper Portland to this action, as the City is responsible for all liability and environmental requirements.

**ATTACHMENTS**

- A. Property Location

**PROPERTY LOCATION**



1111 NW Naito Parkway, Portland, Oregon