



Request for Qualifications (RFQ)

Broadway Corridor

DEVELOPMENT PLANNING ADVISORY SERVICES
AND REDEVELOPMENT OF THE USPS PROPERTY

Issued: November 8, 2017



**PROSPER
PORTLAND**
Building an Equitable Economy

RFQ Instructions

1. PROPOSALS DUE: JANUARY 19, 2018 BY 5:00 PM (PACIFIC TIME)

2. INFORMATIONAL PRE-PROPOSAL MEETING:

An optional informational pre-proposal meeting will be held at the office of Prosper Portland on **December 6, 2017** from 1:00 – 3:00 PM. Contact Sarah Harpole (harpoles@prosperportland.us) if you are interested in attending.

3. PUBLIC PRESENTATIONS BY SHORT-LISTED RESPONDENTS:

Short-listed respondents will be invited to provide presentations in a public forum on the evening of February 27, 2018. Additional information and instructions for the public forum will be provided to the short-listed respondents in advance.

4. RESTRICTION ON COMMUNICATIONS

After this RFQ has been issued and before a developer has been selected from it, direct all questions and comments regarding this RFQ to Sarah Harpole (harpoles@prosperportland.us).

Interested parties must not solicit information on this RFQ from members of the Steering Committee, Portland City Council, Prosper Portland's Board of Commissioners, or any Prosper Portland or City employee not specifically named in this RFQ, except upon invitation by Prosper Portland in a formal interview. Doing so may result in rejection of the response. Prosper Portland will not hold "one-on-one" meetings with any interested party during the RFQ process outside of a formal interview.

5. QUESTIONS AND ADDENDA:

Questions about any matter contained in this RFQ should be emailed to Sarah Harpole (email to: harpoles@prosperportland.us).

The deadline for questions regarding the RFQ is January 5, 2018.

All material changes or clarification of any matter contained in this RFQ will be published in the form of a written addendum to this RFQ at this location on Prosper Portland's website: ProsperPortland.us/bids. Prosper Portland may make a courtesy effort to notify interested parties that an addendum has been published, but Prosper Portland is under no obligation to do so. As such, parties interested in this RFQ should refer frequently to the website for this RFQ. Prosper Portland may also load supplemental information about this project to that location as well.

6. SUBMITTAL INSTRUCTIONS:

The focus of this solicitation is on statements of qualifications of development teams. Those interested in submitting a statement of qualifications in response to the RFQ (Respondents) should address the Submittal Requirements outlined in Section 6. Submittals will be evaluated against the evaluation criteria listed in Section 7.

Responses – by mail or email – are due at the Prosper Portland office no later than the date and time listed above. In an effort to reduce the amount of paper used as part of this RFQ, responses that do not exceed five megabytes (5 MB) may be delivered via email in Microsoft Word (.doc) or Adobe Acrobat (.pdf) format to Sarah Harpole at harpoles@prosperportland.us. Responses that exceed 5 MB should be delivered to Prosper Portland on a thumb drive (in .doc or .pdf format) in a sealed envelope addressed to Sarah Harpole. Respondents that email their response should follow-up with a phone call if receipt of their response is not confirmed prior to the response deadline.

Prosper Portland has not set a specified page limit for responses. However, we request that responses are thorough but also concise without unnecessary content.

Submit responses to:

Sarah Harpole
Prosper Portland
222 NW Fifth Avenue
Portland, Oregon 97209-3859
Phone: 503-823-3337
E-mail: harpoles@prosperportland.us



Building an Equitable Economy



Office of Mayor Ted Wheeler
City of Portland

Portland is a city in transformation. Portlanders and visitors from around the world are drawn to the vitality of downtown and our public spaces, job opportunities and commercial areas, our transit and the ability to get places without a car, and our cultural amenities and natural beauty. But while we are blessed with many resources — natural, economic, cultural and historical — we continue to face the common challenges every city does as it grows, becomes more diverse, and experiences the effects of climate change.

Today the city of Portland has a rare and tremendous opportunity: to create a landmark development in the heart of the city that recognizes and responds to our evolving needs.

I envision the Broadway Corridor as vibrant, livable, accessible, affordable, inclusive and cohesive. We must be bold because this development will reach beyond its boundaries and share benefits city-wide. This district will build greater economic resilience by encouraging diversity in businesses and workforce opportunities; greater social resilience by increasing affordable housing in the Central City; and environmental resilience through strategic investment in innovative infrastructure that addresses climate change and net-zero carbon goals.

I want an iconic design deserving of the transformation this development will bring to the Portland skyline. I want Portlanders to continue to be able to live in a bikable and walkable neighborhood to position the Broadway Corridor as both a transportation hub and a gateway to the city.

The Broadway Corridor will play a pivotal role as an incubator of civic culture and action and as a destination that connects with communities that might not otherwise feel a strong tie to the Central City. Portland will demand public spaces that are varied, rich and inclusive for more people and we want a district that will bring together a mix of people and ideas, businesses, and investments to create opportunities, innovation and jobs.

The success of the Broadway Corridor development requires the collaboration of the city, the selected developer, and the community. I am excited to release this RFQ for a qualified partner to help us realize this once-in-a-generation chance to create a transformative 21st century urban neighborhood and employment center.

Sincerely,

Ted Wheeler
Mayor of Portland

1221 SW Fourth Avenue, Suite 340 ♦ Portland, Oregon 97204
MayorWheeler@PortlandOregon.gov



Dear Potential Respondents to the Broadway Corridor Request for Qualifications,

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

Dr. Alisha Moreland-Capua
Commissioner

William Myers
Commissioner

Peter Platt
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

With the release of this Request for Qualifications for the Broadway Corridor Development Planning Advisory Services and Redevelopment of the USPS Property, Prosper Portland embarks on a journey to transform Portland's Central City.

That transformation must align with our strategic goal to build an equitable economy for all Portlanders.

We believe this is a unique chance to address the most pressing challenges of our time – from climate change to socio-economic inequities. We have the opportunity to demonstrate that redevelopment can be inclusive, sustainable, memorable and financially successful.

The Broadway Corridor project presents the potential to meet these challenges in a uniquely Portland way that honors history and equity, cultivates culture, builds density and diversity and reimagines how residents and visitors will use and respond to this transformative new district. It will be a development that contributes to our community's character and reflects our deepest values.

This new district will manifest the connections we are committed to creating in and across the city and suburbs, becoming a bridge builder to the rest of our region. The Broadway Corridor will be a laboratory of inclusion and opportunity, changing Portland's downtown landscape in a way that touches residents from every neighborhood, income level and cultural community.

The right developer will help us deliver a project that transcends social barriers, honors our commitment to green building, creates public spaces, delivers affordable housing, supports small businesses, creates jobs, and demonstrates equitable practices that other cities and communities will aspire to achieve.

I personally value Portland's special quality of community, and I am honored to lead Prosper Portland as we collaborate with the City of Portland and the selected developer to realize the vision for the Broadway Corridor, guided by our values of equity and inclusion for all of Portland.

Thank you,

Gustavo J. Cruz, Jr.

prosperportland.us

222 NW Fifth Avenue
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97209-3859

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1. Executive Summary

Redevelopment of the **Broadway Corridor**¹, located in Portland Oregon's Central City, offers a unique opportunity to advance Portland's economy and vitality and deliver robust community benefits.

The Broadway Corridor Study Area (Broadway Corridor or Study Area) is approximately 32 acres, generally bounded by NW Lovejoy Street, NW 5th Avenue, NW Glisan Street, and NW 9th Avenue. It is located in the River District Urban Renewal Area. The Broadway Corridor encompasses several Prosper Portland-owned properties, including the recently acquired 13.5-acre United States Postal Service site, located on the western half of the Study Area, bounded by NW Lovejoy Street, NW Broadway, NW Hoyt Street, and NW 9th Avenue (USPS Property). The Portland Housing Bureau (PHB) owns 16 percent of the USPS Property for the purpose of delivering affordable housing in the future redevelopment of the property.

Prosper Portland also owns Blocks Y and R, Union Station and the Broadway Bridge property (see **Attachment A**). Built in 1896, Union Station is Portland's regional hub for Amtrak passenger rail, and Prosper Portland aims to further position and activate the station as a gateway to the city and surrounding neighborhood.

Prosper Portland has initiated a multi-phase process to determine the development strategy for the area. The Broadway Corridor, and more particularly the USPS Property, is identified in the City of Portland's Central City 2035 Plan (CC2035 Plan) as a key opportunity site for high-density employment and signature city attractions, connecting the Old Town/Chinatown and Pearl District neighborhoods. The development of the USPS Property is anticipated to result in over one billion dollars of development value and investment.

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. Robust community engagement, including input from the **Broadway Corridor Steering Committee**² will accompany efforts to solicit development partner(s), prepare a development plan, and define required public benefits to be included in a Community Benefits Agreement (CBA) as part of redevelopment.

Prosper Portland is the economic development and urban renewal agency for the City of Portland, Oregon (City). Through this Request for Qualifications (RFQ), Prosper Portland and PHB are seeking statements of qualifications from development teams to perform the following:

- **Development Planning Phase.** The selected development team (Developer) will serve as an advisor on development planning activities for the Broadway Corridor. Prosper Portland is contracting with Zimmer Gunsul Frasca Architects (ZGF) for the purpose of completing a development strategy for the Study Area and a formal

Central City Master Plan for the USPS Property, subject to a Type III Land Use Review approval. The Developer will serve as an advisor during this process, in collaboration with the project stakeholders further described in Section 3.B. Prosper Portland is seeking to engage the Developer early in the planning process to ensure an implementable development plan that accommodates the city's growth and delivers robust community benefits.

- **Redevelopment Phase.** The Developer will have exclusive negotiation rights for redevelopment of the USPS Property, as further described in Section 5.B, following successful completion of the above Development Planning Phase.

“The Main Post Office site is perhaps the most exciting single redevelopment opportunity in the city, with the potential to become a major employment center over time.” - WEST QUADRANT PLAN



The Study Area

¹<http://broadwaycorridorpx.com>

²<http://broadwaycorridorpx.com/community-involvement/>

2. Project Vision and Goals

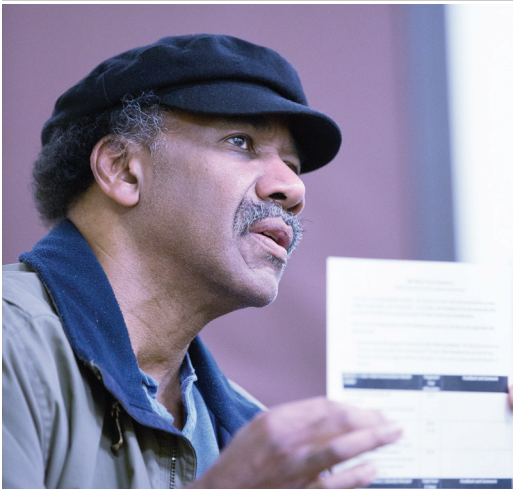
Vision Statement: The Broadway Corridor is a once-in-a-generation unique, diverse, vibrant, sustainable, mixed-use, dense urban district seamlessly integrated with a regional multi-modal transportation hub. The Broadway Corridor Project acknowledges historic disparities; considers what is being created for future generations; fosters culture, social equity and inclusion; and reimagines how all people live, work, enjoy and move through the city in a genuinely transparent and equitable way.

A. Development Goals

Prosper Portland is seeking a Developer with experience engaging in a public-private partnership to successfully deliver a high-density, mixed-income and mixed-use development, including utilizing innovative approaches to adapt to changing market conditions and/or code requirements over time – and providing a broad range of community benefits. The Developer should recognize the value of engaging in a robust public process, have a commitment to promoting racial equity and benefiting under-served and under-represented people, and have a willingness to enter into a CBA.

The Project Vision, Guiding Principles and Goals reflect the Steering Committee’s aspirations for redevelopment of the Broadway Corridor. It is recognized that Respondents may not have experience in delivering on all of the articulated Project Goals. However, Prosper Portland encourages Respondents to form development teams that can, on balance, best deliver on the Project Vision in a high-density mixed-use development that is compatible with the Portland ethos. In completing development planning for the Study Area and making the USPS Property available for redevelopment, Prosper Portland seeks to advance the following in all aspects of the Broadway Corridor development, both public and private:

Guiding Principles	Project Goals
<p>Accountable</p> <p>Implement a robust, proactive and transparent strategy that is a responsible expenditure of public funds, attracts private investment, and delivers targeted and equitable public benefits, with clear and enforceable milestones and metrics.</p>	<ol style="list-style-type: none">1. Identify and promote clear, long-term, and enforceable financial, community benefit, and environmental metrics that reflect best practices at all stages of design, development and operations to be included in a Community Benefits Agreement2. Integrate input received via meaningful public engagements with communities of color and other under-served and under-represented people in decisions in all stages of the process, including future oversight, in a manner that encourages community interaction and is welcoming to and informed by Portlanders of all ages, disability status, cultures, and backgrounds;



Guiding Principles

Project Goals

Connected

Leverage regional and local assets to strengthen multimodal transportation connections and improve accessibility to and through the area for all

3. Improve safe, reliable, and affordable access for low-income communities including connecting affordable housing with employment providing adequate wages.
4. Create a coordinated and efficient multimodal transportation system that encourages people to choose healthy, active, and low-carbon transportation modes and systems, and enhances the economic competitiveness of the region.
5. Enhance Union Station as an active center and destination.
6. Provide an accessible, active, vibrant streetscape prioritizing pedestrian and bike infrastructure that enhances the neighborhood greenway system and builds connectivity with adjacent neighborhoods.

Equitable

Promote social equity, reduce disparities, and extend community benefits

7. Improve socio-economic opportunities for people of color, such as through affordable commercial space for diverse businesses, workforce training, and contracting opportunities.
8. Strong commitment to utilizing a combination of certified minority-owned, woman-owned, DBE, and local firms as well as union vendors in design, construction and ongoing operations to create living wage jobs for a diverse workforce.
9. Provide adequate and affordable housing serving households earning 0 – 60% median family income (MFI) with a portion targeted to serving households earning 0 – 30% MFI.
10. Provide a mix of housing units, including family-sized and multi-generational housing.
11. Provide integrated mixed-income development including housing and commercial space for all income levels.
12. Utilize Universal Design to ensure public and private development that is age-friendly and multi-generational and that can benefit and be utilized by all; and to ensure that public spaces are welcoming to all community members.
13. Adhere to high environmental standards in all phases of project design and implementation to increase natural assets for a healthy and livable community which includes particularly communities of color and low income communities.



Guiding Principles

Project Goals

Prosperous

Foster economic and wealth prosperity for all through opportunities for innovation, creativity, education, and economic growth in the region

14. Create living wage jobs, at all skill levels and with career pathways, through commitments by tenants and partnerships with Workforce Investment Boards, particularly providing employment and job training opportunities for communities of color and other underserved populations.
15. Leverage large central site as a regional employment hub and recruit major anchor employer that follows labor law, provides a livable wage, benefits, stable scheduling, targeted hire, career ladders, a voice on the job, and health and safety for all employees; including subcontracted workers, contingent, and temporary workers.
16. Provide a diverse range and size of businesses, stabilize and grow small local businesses and provide opportunities for innovation and starting new businesses.

Resilient

Demonstrate leadership in sustainability, health and integration of the built and natural environments and promote human interaction with the environment.

17. Demonstrate leadership in implementing strategies that achieve the Portland Plan and Climate Action Plan's goals to become an equitable, ecologically healthy, zero net-carbon and fossil fuel-free city
18. Create a thriving and healthy built environment that promotes human, social, and ecological interaction.

Vibrant

Create a unique and aesthetically stunning, mixed-use community that welcomes and reflects diversity, integrates private and public spaces, and enriches the quality of life for existing and new Portlanders of all ages, cultures, and backgrounds



19. Promote groundbreaking design in a truly mixed-use, diverse and active 24-hour large urban development that supports pedestrian scale and the public realm and is designed to become a new Portland icon.
20. Provide an integrated network of high quality green and hard-scape open space including extending the Park Blocks, providing amenities for families, public spaces for events, seating areas, neighborhood greenways, and landmark artwork.
21. Include amenities that meet neighborhood needs and are accessible to all segments of the community, such as a community center, educational use, library or recreational facility.
22. Acknowledge the history of the place and the people who have been here through design.
23. Support diverse arts, cultural artists, and art organizations through the design, construction, and operational phases of the project.

B. Compliance with Prosper Portland Policies

Prosper Portland has extensively engaged with the Steering Committee to determine priorities for the Broadway Corridor, including redevelopment of the USPS Property. In completing development planning for the Study Area and making the USPS Property available for redevelopment, Prosper Portland seeks to advance the following in all aspects of the Broadway Corridor development, both public and private: All development projects shall comply with the following Prosper Portland policies:

- i. **Equity Policy.** Prosper Portland is committed to increasing economic opportunity and income for all Portland residents and historically disadvantaged Portlanders in particular as described in Prosper Portland's Equity Policy. The Developer must meet and exceed the following Prosper Portland programs:
 - a. **Business Equity Program.** The goal of the Business Equity Program (BEP) is to ensure that Prosper Portland's work provides professional, supplier, and construction contracting opportunities to Certified Firms (i.e., certified minority-owned businesses, women-owned businesses, disadvantaged businesses, and emerging small businesses). The BEP also encourages the participation of businesses owned by veterans. The utilization goal for Certified Firms is 20 percent of the project's architectural and engineering and hard construction costs ([Attachment B](#)).
 - b. **Workforce Equity Program.** The Workforce Equity Program (WEP) aims to maximize apprenticeship opportunities in the construction trades, ensure employment opportunities for people of color and women, and encourage the employment of people with disabilities and veterans. The WEP has mandatory requirements related to apprenticeship and aspirational goals related to achieving workforce diversity, encouraging the employment of veterans and people with disabilities, and achieving a workforce that reflects the diversity of the City of Portland ([Attachment C](#)).
- ii. **Green Building Policy.** Prosper Portland is committed to promoting sustainable, energy efficient buildings. The Developer will be required to meet and exceed established U.S. Green Building Council LEED Gold or Earth Advantage Small Commercial rating system standards ([Attachment D](#)).
- iii. **Prevailing Wage.** Construction work on the site is subject to Oregon Bureau of Labor and Industry (BOLI) prevailing wage rates. (see [State of Oregon Prevailing Wage Statutes](#)³).



³ <http://www.oregon.gov/BOLI/WHI/PWR/pages/index.aspx>

3. Planning & Development Scope

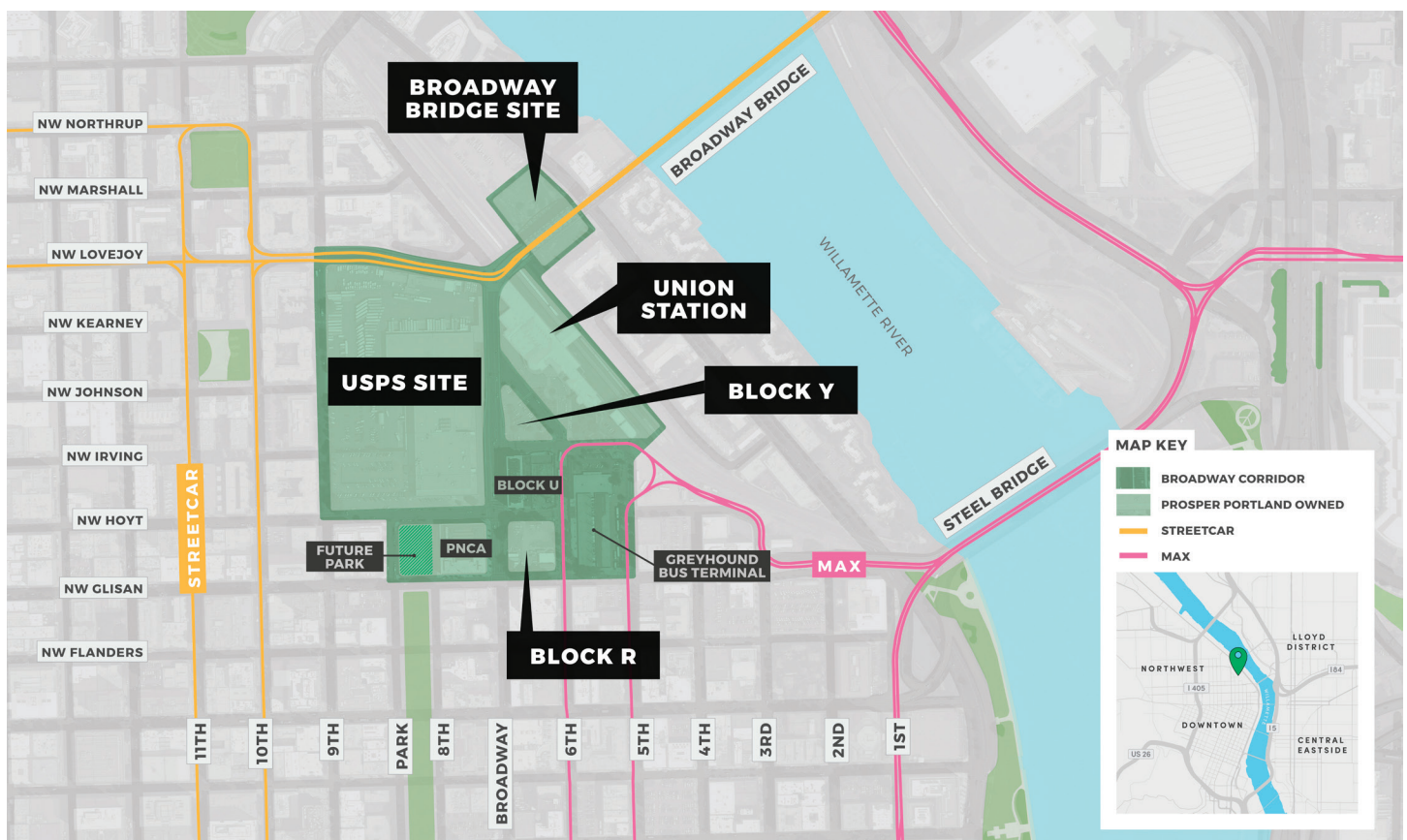
A. Study Area

The Broadway Corridor is approximately 32 acres and encompasses several Prosper Portland-owned properties, including the USPS Property. Redevelopment of the Broadway Corridor and the USPS Property in particular is anticipated to provide community benefit reaching beyond the project boundaries. The Development Planning Phase will result in a development strategy and identification of public priorities for the full Study Area, as well as a formal Type III Land Use approval of a Master Plan for the USPS Property. A compilation of due diligence completed regarding the Study Area will be made available to the Developer.

- i. **USPS Property.** Acquired in 2016 by Prosper Portland and PHB, the USPS Property has the capacity to accommodate 10 percent of the growth in jobs and housing units required to accommodate the Central City's projected growth by 2035 – including delivery of approximately 700 affordable housing units. As a “superblock” currently unencumbered by public streets, the USPS Property also represents a unique opportunity to accommodate a large anchor employer

with greater flexibility than is typical with Portland's standard street grid and small block size. As such, the USPS Property was recently included in the Portland Region's proposal in response to Amazon's search for a second headquarters location. Additional information about the property is summarized in Section 3.D.

- ii. **Union Station, Block Y and Greyhound.** Historic Union Station and its immediate vicinity serve as a multimodal transportation hub, including the primary intercity passenger rail and bus terminal and connections to light rail, bus, streetcar, taxi, rideshare and bikeshare. Prosper Portland owns Union Station and Block Y, and through the development planning process seeks to further activate the station as a gateway to the city and surrounding neighborhood. Greyhound has expressed interest in downsizing but retaining a presence in the area – thereby freeing up some or all of its property for redevelopment. TriMet, the mass transit operator for the region, anticipates providing additional service to the area and locating layover facilities to accommodate service growth. Additional information about these considerations is included in [Attachment E](#).



iii. **Block R.** Owned by Prosper Portland, Block R is an undeveloped lot currently used for construction staging for development underway on Block U. The site has a 6:1 Floor Area Ratio (FAR). The CC2035 Plan recommends reducing the maximum height from 350' to 250' (or 325' via bonus or transfer). The property is zoned Central Commercial (CX), which allows a broad range of uses to reflect Portland's role as a commercial, cultural and governmental center. Development is intended to be very intense with high building coverage, large buildings, and buildings placed close together. Development is intended to be pedestrian-oriented with a strong emphasis on a safe and attractive streetscape.

iv. **Broadway Bridge Site.** The approximately 86,000 sf property, owned by Prosper Portland, is bisected by the Broadway Bridge and located across the railroad tracks from Union Station and the remainder of the Study Area. The site has split zoning and entitlements. The southern portion is zoned Central Employment with a proposed 5:1 FAR and maximum height limit of 75'. The northern portion of the site is zoned Central Employment with a proposed 5:1 FAR and maximum height limit of 100' with an unlimited height via bonus and transfer.



Broadway Bridge

v. **Block U.** The Bud Clark Commons, located on the eastern half of Block U, provides 130 studio apartments serving residents who have been experiencing homelessness and earn less than 35% of area median income. The building also includes a 90-bed short-term housing-focused residential program for men, including case management, life- and job-skills training, and support services. The western half of Block U is currently under construction to relocate the Multnomah County Health Department headquarters, bringing approximately 350 additional employees to the area.

vi. **Pacific Northwest College of Art.** PNCA recently re-modeled and relocated to the historic building located at the southern boundary of the Broadway Corridor. The immediately adjacent surface parking lot is owned by the Portland Parks and Recreation Bureau and is slated to be an addition to the North Park Blocks series of open spaces in the future.



Study Area



Pacific Northwest College of Art



Union Station

B. Project Approach and Stakeholder Engagement

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 (Attachment F), which included an internal audit of past projects and identified ways to interrupt the status quo to lead to more equitable outcomes.

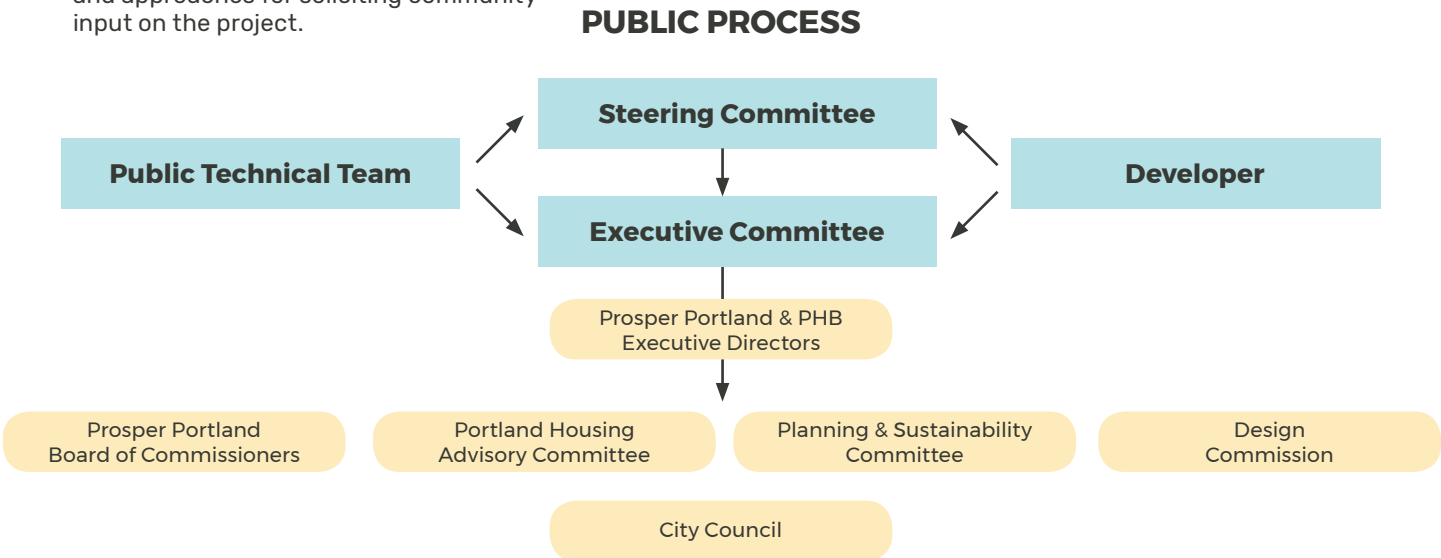
Robust community engagement will accompany efforts to prepare a development plan and define required public benefits to be included in a CBA. Prosper Portland is seeking to engage the Developer early in the planning process to ensure an implementable development plan that delivers robust community benefits. The Developer will serve as an advisor during this process, in collaboration with the following project stakeholders and technical advisors:

- i. **Steering Committee.** The Steering Committee is an advisory committee composed of 42 community members who are demographically diverse and represent a broad range of geographic and subject matter expertise and interests. The Steering Committee has met monthly since May 2017 and has informed the project goals and priorities included in this RFQ. Following the selection of the Developer, the Steering Committee will continue to advise on the formulation of a development plan for the USPS site and adjacent properties, identification of community benefits priorities for a future CBA, and a future oversight approach.
- ii. **Public Engagement.** To augment existing outreach strategies, Prosper Portland has contracted with Lara Media to prepare and implement a strategic communication strategy with the goal of 1) creating project awareness, particularly by those who are traditionally disengaged; and 2) authentically engaging this target audience to empower them to share their opinions and actively participate, thereby maximizing the project’s development and community benefit potential. A Public Participation Plan is under development and will include a number of engagement opportunities and approaches for soliciting community input on the project.

iii. **Public Partners Technical Team.** The Public Partners Team includes representatives of city bureaus and other agency partners and is charged with providing technical expertise and advice to inform the development plan and Land Use Review approval process. Participants include representatives of the Bureau of Planning and Sustainability, Bureau of Development Services, Bureau of Transportation, Bureau of Environmental Services, Parks and Recreation, TriMet, Portland Streetcar Inc, NW Natural Gas, and Portland General Electric – in addition to Prosper Portland and PHB staff.

- iv. **Executive Committee.** The Executive Committee is composed of leadership of Prosper Portland, PHB and the Mayor’s Office, as well as subject area advisors including the following:
 - Brokerage and Capital Market expertise: Representatives of Jones Lange LaSalle (JLL) advise on how to take the development to market, structure transactions to maximize value, and position the opportunity to recruit anchor employers.
 - Social Equity expertise: Representatives of Estolano LeSar Perez Advisors advise on how to negotiate a community benefits agreement and ensure the project maximizes opportunities for social equity throughout all phases of work, including delivering meaningful and equitable community benefits.
 - Infrastructure Partnerships: Representatives of Puttman Infrastructure advise on how to structure partnerships and identify and secure funding, particularly for multi-modal transportation functions and district-wide infrastructure systems.

The Executive Committee, via the executive directors of Prosper Portland and PHB, is charged with formulating and forwarding recommendations for consideration by various approving and advisory bodies, including City Council, the Prosper Portland Board of Commissioners, Design Commission, the Portland Housing Advisory Committee, and the Planning and Sustainability Commission.



C. Development Planning Phase

The Developer will serve as an advisor to the Development Planning Phase in conjunction with the stakeholder and technical advisors described in Section 3.B. Prosper Portland will convene all stakeholder engagement meetings and other forums. The Development Planning Phase is anticipated to take approximately 14 months, from May 2018 through June 2019, and include the following key components:

- i. **Development Strategy.** Prosper Portland is contracting with ZGF for the purpose of completing an urban design framework and development strategy for the Study Area and a formal Master Plan for the USPS Property (including a Type III Land Use Review approval by the Design Commission). The process will include the preparation, evaluation and refinement of urban design and development concepts. A summary of the Development Strategy scope of work and consultant team expertise to be procured by Prosper Portland is included as **Attachment G**. This work will run in parallel to the identification of priorities for public benefits to be incorporated into a CBA, as described below.
- ii. **Affordable Housing Strategy.** PHB controls the development rights for approximately 16% of the USPS Property – or slightly less than 630,000 sf FAR – for the purpose of delivering a significant number of affordable housing units within future redevelopment. The units will be affordable to residents earning between 0 – 60% AMI, with more specific sub-targets and an implementation strategy to be defined during the Development Planning Phase.

Of the total affordable housing commitment, 74% of PHB's development rights will be utilized to provide affordable housing units via direct investment from PHB (in addition to other traditional affordable housing financing mechanisms). PHB's financial resources may include tax increment financing, **Construction Excise Tax**⁴ revenue, and **Housing Bond Funds**⁵. It is preferred that these units are delivered in mixed-income buildings in collaboration with the Developer. However, PHB retains the right to secure stand-alone parcels to land bank and/or enter into agreements with other affordable housing development partners.

The remaining 26% of PHB's development rights will be utilized to provide affordable housing units via the Inclusionary Housing Program (in lieu of the program's density bonus incentive). The Developer will be required to provide 10% of all housing units (in the private development and excluding the units above) to be affordable at 60% AMI. The following incentives will also apply:

- 10-year property tax exemption on all residential units
- Exemption of the Affordable Housing Construction Excise Tax on affordable units
- System Development Charges (SDC) exemptions on affordable units
- Possible exemption from parking requirements as detailed in Title 33.266(D)

Any private residential development requiring Inclusionary Housing beyond that supported by the PHB development rights described above will utilize the standard Inclusionary Housing requirements and incentives.

- iii. **Community Benefits Agreement.** A legally binding CBA will be negotiated between the Developer, Prosper Portland, and community stakeholders to prescribe specific benefits to be provided to the local community through development of the Broadway Corridor. The priorities for the community benefits to be provided will be determined in conjunction with the Development Strategy and Affordable Housing Strategy, and may include requirements that will apply to the Developer's contractors, subcontractors and/or tenants.
- iv. **Oversight Approach.** Project metrics and a framework for transparent reporting on project implementation will be established to ensure commitments are maintained during and after completion of development. These requirements will also be embedded in the Community Benefits Agreement and/or Development Agreement.



⁴<https://www.portlandoregon.gov/bds/71270>

⁵<https://www.portlandoregon.gov/phb/74262>

D. USPS Property Summary

- i. **Street Address.** 715 NW Hoyt Street
- ii. **USPS Property Identification.** R140726 and R140728
- iii. **Parcel Size.** 580,605 Square Feet (13.33 acres)
- iv. **Land Description.** The USPS Property is a mostly level and nearly rectangular parcel that occupies all the area between Lovejoy Street on the north; Broadway on the east; Hoyt Street on the south; and 9th Avenue on the west. The site is a so-called “super-block,” i.e., it includes the areas of the vacated public streets of Kearney Street, Johnson Street, Irving Street, Park Avenue, and 8th Avenue. Although the subject property has frontage on Lovejoy Street and Broadway, those two streets form elevated approach ramps to the Broadway Bridge, and there is no direct access onto them from the USPS Property.
- v. **Property Access.** The USPS Property is currently actively operated by the U.S. Postal Service. Access beyond the publicly accessible Post Office retail portion of the property is prohibited. The selected development partner will be provided access in the future.
- vi. **Existing Uses and Structures.** Three existing structures currently occupy the property, as summarized below. The primary building is currently occupied by USPS and will be partially vacated in late 2018. Prosper Portland has committed to retaining and/or relocating the USPS retail functions within or near the Broadway Corridor redevelopment. Specific requirements are articulated in [Attachment H](#). The preferred approach to this obligation will be determined during the Development Planning phase. The Development Planning Phase will also continue to explore options for interim activation and/or partial or full demolition of the building(s) as well as phasing implications for development.
 - a. **Post Office.** The reinforced concrete building was originally constructed in 1962 to serve as the primary United States Post Office processing and distribution center for Oregon and Southwest Washington. The building is approximately 400,000 sf and is functionally obsolete for modern industrial use. It varies from two to four stories, with two large work areas that have ceiling heights of 25 and 20 feet. The bay sizes are small by current standards, and the dense column spacing is an impediment to efficient use of the space. Prosper Portland has completed a preliminary reuse feasibility study for the building (see [Attachment I](#)). A hazardous building materials survey ([Attachment J](#)) conducted at the Post Office facility identified asbestos-containing materials, lead-containing paint, and mercury-containing light bulbs. These materials would require abatement in any areas impacted by renovation and/or demolition activities.
 - b. **Vehicle Maintenance Facility.** The vehicle and maintenance facility (VMF) is a 9,200 sf special-use improvement that will have little or no utility following

relocation of the USPS operations. It is presumed the VMF will be demolished during site preparation for development.

- c. **Structured Parking.** The parking garage is a functional facility which potentially could be adapted for use to support the early phases of development and/or as a public parking garage. The garage is approximately 146,000 sf and includes 448 parking stalls. Any utilization of the garage would have to meet current parking code. Furthermore, its location on the site limits the future development potential of the site and is therefore considered to be an interim use if retained.
- vii. **Zoning Designation.** The USPS Property is designated Central Employment with a design review overlay (EXd). The EX zone allows mixed uses. The intent of the zone is to allow industrial, business, and service uses which need a central location. Residential uses are allowed but are not intended to predominate or set development standards for other uses in the area. The development standards are intended to allow new development which is similar in character to existing development.

The USPS Property has a permissible 7:1 FAR and 250 foot height limit on the southern half of the property and 400 foot height limit on the northern half.
- viii. **Street Plan.** As noted in Section 4.B.iii, an update to the City’s Transportation System Plan is underway, including the following specific to the USPS Property:
 - NW Park Avenue is extended as a full street from NW Hoyt Street to NW Johnson Street.
 - NW Johnson Street is extended from NW 9th Avenue to NW Broadway.
 - The rest of the grid is extended as “Pedestrian Connections / Secondary Routes (Alignment Uncertain).” This category allows flexibility in the development review and master planning process to include pedestrian connections and potentially some secondary routes to serve local access only for motor vehicles.
- ix. **Transportation and Access.** The USPS Property is located in Portland’s highly walkable Central City and is well-served by local and regional transit. Light rail stops for TriMet’s MAX Yellow/Orange and Green Lines are located within one block of the USPS Property, as are stops for the Portland Streetcar. The USPS Property also has nearby local and regional bus service and passenger rail and is well-served by the region’s freeway network.
- x. **Topography.** The site is generally level and at street grade. The topography does not result in any particular development limitations. The site is affected by the elevated Broadway viaduct, which runs along the property’s north and east boundaries toward the northwest corner. This generates the perspective of some grade change, as traffic will pass above ground level in these

areas. Still, this is not a topography characteristic that will affect foundations or foundation structures. A Boundary and Topographic Survey is included as [Attachment K](#).

xii. **Flood Plain Status.** The USPS Property is located in a Zone X “other flood area” of 0.2% annual chance of flood (Flood Insurance Rate Map Number 4101830093E dated October 19, 2004).

xiii. **Utilities.** The building has electric, natural gas, and water service, as well as connections to the City of Portland’s combined sewer and storm lines.

xiv. **Easements.** The ALTA Survey ([Attachment L](#)) summarizes the exceptions to title, which include various utility and access easements that are typical for a property of this type, ingress and egress implied by reservation of mineral rights in deed, maintenance and operation of the West approach to the Broadway Bridge, and various other easements. The exceptions appear to not have an adverse effect on value..

xv. **Environmental Conditions.** Environmental investigations conducted at the Site identified contamination in soil and groundwater associated with historical rail yard use and underground storage tanks. Uniform distribution of low level soil contamination is common on the property and several “hot spot” areas containing higher contaminant levels have also been identified. The Site is enrolled in the Oregon DEQ Voluntary Cleanup Program (ECSI #2183) and was issued conditional No Further Action status based on the current use as the USPS Processing and Distribution facility. However, additional environmental remediation actions consisting of hot spot soil removal, vapor mitigation in select areas, and protective cap installation will be required concurrent with future redevelopment. It is anticipated that all excavated soil removed from the Site will require disposal at a Subtitle D landfill (e.g., Hillsboro Landfill). A more detailed description of the historical environmental investigations conducted at the Site and the remedial actions that will be required during redevelopment is included in the Master Remedial Action Work Plan ([Attachment M](#)) and Environmental Site Assessment Phase I ([Attachment N](#)).

xvi. **Applicable Agreements.** Prosper Portland entered into several agreements pertaining to the USPS Property when acquiring the site. Applicable agreements are characterized below for illustrative purposes, and copies will be provided to the Developer.

- a. Purchase and Sale Agreement between Prosper Portland and USPS: Guides terms of property acquisition including post-closing environmental and property management matters.
- b. Lease Agreement between Prosper Portland and USPS: Provides further detail regarding property management obligations during USPS’ occupancy of the property and requirements for retaining and/or relocating the USPS retail functions.
- c. Prospective Purchaser Consent Judgement between Prosper Portland and Oregon Department of

Environmental Quality: Provides a predictable process for addressing soils remediation in the context of intended site development, including:

- » Assumes the existing parking blacktop and building foundations provide a remedy in the form of a cap over the underlying impacted soils and may be left in place until a permanent change in use and permanent removal of the cap is completed. Allows for limited investigatory measures, hot spot removal or above-ground demolition so long as the cap is promptly replaced.
- » Allows for the temporary use of the post office building, parking garage and surface areas; prohibits residential as a temporary use.
- » Allows for discrete subsets of the site (sub-parcels) to be developed and remediated without necessitating the remediation of other aspects of the site. Necessitates the development of sub-parcel specific remedial action plans (consistent with the Master Remedial Action Work Plan as applicable) when redevelopment is intended (defined as the permanent change in the sub-parcel use involving a permanent removal of the cap) and prescribes a process for development and DEQ approval of remedial actions that will complement and be incorporated into site preparation work.
- » Provides a limit of responsibility to the State for remedial action and provides protection against a contribution action on the part of a third party.
- » Allows the benefits and burdens of the PPA to be passed on to successors in interest and requires that a successor / developer have sufficient financial capacity to undertake the required remedial actions.

d. Recourse Escrow Agreement between Prosper Portland, USPS and Escrow Agent: Establishes protocol for withdrawals from an established escrow account based on performance of or non-compliance with environmental remediation requirements and other related matters.



4. Development Context

A. Portland, Oregon

Portland's unique economy is experiencing astonishing growth and transformation⁶. Portland's reputation is well-known and reflected in numerous "#1" rankings. And Portland appears to be well-poised to continue its performance. Portland's economy is stable and diverse as a direct result of numerous favorable factors.

- Strong demographics and growing population: In-migration includes the sought-after young and highly educated workforce and is driving job growth in the high tech sector as employers increasingly follow the talent. The population of the Portland region is expected to grow 6.4% between 2017 – 2022 vs 4.2% in the US.
- Excellent quality of life coupled with reasonable comparative cost of living: Portland offers world-renowned craft beer, a vibrant food-cart culture and one of the best restaurant scenes in the country; award-winning public transportation and an enthusiastic bike culture with cycle-friendly infrastructure; urban density and convenience with easy access to nature—from the Cascades to the Oregon coast and the Columbia Gorge.
- Economy on a strong trajectory with year-over-year job growth far outpacing the US average: Job growth of 2.6% in 2016 was 163% of the US rate. Portland ranks as fifth fastest growing in high wage jobs among the 100 largest metros, and saw the fourth largest increase in median household income – putting it at the 19th highest and surpassing former peers as well as Atlanta, Chicago, and Los Angeles. Economic expansion has been diverse with both industrial and office using sectors contributing significantly.
- Leadership in sustainability: ranked 8th in the nation in 2016 for the greenest cities in America: Portland has a budding clean technology sector supporting ambitious greenhouse gas emission reduction strategies and regulations to promote green building practices.

PORTLAND, OREGON

Best place to live in U.S. *Money*, 2015
Best performing economy *Bloomberg*, 2015
Moving destination (Oregon) *United Van Lines*, 2014-2015
U.S. city for quality of life *Monocle*, 2015
Best Public Transit *Travel + Leisure*, 2007-2014
America's Best Airport *Travel + Leisure*, 2015-2016
America's Best Food City *Washington Post*, 2015
Food & Drink Capital of America *The Telegraph*, 2016
Best Place for Business and Careers *Forbes*, 2017

- Multifamily Market.** Developers are responding to an increase in demand for rental units as the population grows. Multifamily development has ramped up significantly over the past three years in the close-in neighborhoods of Portland. More than 6,000 units have been completed since 2014 in the close-in urban areas. Portland's multifamily vacancy sits at just 4.9%, driving strong increases in apartment rents, which are up 9.0% in the past year. Housing affordability is increasingly becoming a defining issue for the metro area.
- Office Market.** Portland market-wide office vacancy is 5th lowest in US – standing at 9.8% in the second quarter of 2017. Portland's unemployment rate stands at 3.5%, the lowest since 1995, and Oregon's job growth is forecast to be 2.4% in 2017 and 2.3% in 2018, signaling continued strength for the years ahead.

New construction of Class A buildings is driving rent growth, and the Class A office market is increasingly competing with Class B and creative space for tenants. Portland's Central Business District (CBD) Class A office market vacancy is the 6th lowest in the US of all markets tracked by Jones Lange LaSalle (JLL) – currently standing at 9.5%. It was in single digits throughout the

Great Recession. Class A rents are up 11.6% year-over-year with Class A asking rates up 37.2% since 2010. Many tenants are seeking options in the Central City, and in response the construction pipeline is filling up. These deliveries will likely continue to push vacancy up in the CBD, but expectations are that it will remain below 10.0% in the near term.

- Capital Market.** Investor appetite for CBD assets is at an all-time high due to the aggressive rent growth experienced over the past three years and the market's relative affordability compared to other West Coast cities. Investors are seeking to gain a market foothold, and an increased investor pool has added to market liquidity and core assets receiving increasing numbers of bids.

Portland's healthy economy is also reflected in its real estate market. Pricing is escalating across all property types. The urban growth boundary constrains supply, but Portland currently remains relatively affordable compared to its West Coast neighbors.

As Portland transitions, its high quality of life and ability to attract and retain talent are critical to maintaining a strong regional economy. However, this could come at the cost of affordability, which could in turn increase displacement and eventually stall growth. Additionally, Prosper Portland rec-

⁶Capital Markets Overview, September 2017; Jones Lange LaSalle
Portland in Transition, September 2017; Josh Lehner, Oregon Office of Economic Analysis

ognizes that not everyone has benefitted equally from this economic growth. The agency is driven by the challenges of widening wealth disparity across Portland neighborhoods and between people of color and white Portlanders.

It is against this backdrop that Prosper Portland is pursuing redevelopment of the Broadway Corridor consistent with the vision, priorities and project approach set forth in this RFQ. Efforts are intentionally focused on ensuring that gains from physical and economic growth address the growing gaps within our city, that all communities realize equitable benefits, and that growth does not inadvertently undermine Portland's long-term ability to compete and thrive in the global economy.

B. Planning and Policy Context

The USPS Property has been identified as perhaps the most significant redevelopment opportunity within Portland's Central City through multiple land use and development plans adopted by Portland City Council over the past 30 years. The more recent and directly applicable plans include:

- i. **Central City 2035 West Quadrant Plan.** The **West Quadrant Plan**⁷, adopted 2015, calls for the following regarding the Broadway Corridor:
 - Redevelop the USPS Property with a wide mix of urban uses (including affordable and market rate housing, office, and retail) and new city attractions (including the provision of civic parks, open space amenities, and signature connections).
 - Encourage and promote an environmental "high performance area" on the redeveloped USPS Property.
 - Strengthen east-west connections between the North Park Blocks and the Willamette River.
 - Explore the potential redevelopment of the Greyhound Terminal site
 - Maintain and increase the viability of Union Station as Portland's multi-modal passenger transportation hub.
 - Create and/or improve a direct connection for the "Green Loop" alignment through the North Park Blocks to the Broadway Bridge. The **Green Loop**⁸ is an urban design concept for a six-mile signature linear park and active transportation path that will bring new life and energy to the Central City and promote more walking, biking, rolling, jogging and public transit trips, contributing to a smaller city-wide carbon footprint.
- ii. **Central City 2035 Plan.** The **CC2035 Plan**⁹ builds upon the West Quadrant Plan and is currently under consideration by City Council. Once approved, the

CC2035 Plan will require the preparation of a Master Plan prior to redevelopment of the USPS Property. The Master Plan is a new design tool that applies to key, large redevelopment sites with the intent of establishing a clear development strategy that will positively contribute to the existing and desired surrounding urban form. The review will result in an urban design framework and layout for the site as a whole, allowing subsequent reviews for individual buildings and other development to focus on materials and façade treatment. The **Master Plan requirements**¹⁰ are being finalized by City Council and are intended to result in the following urban design outcomes:

- A development site that has a strong orientation toward transit and multimodal transportation alternatives.
 - A safe and vibrant public realm, supported by active ground floor uses, open space areas and an internal circulation system that provides access to adjacent public rights-of-way and multimodal transportation options;
 - A development site that has adequate urban services such as water, stormwater, sewers, and fire hydrants, and
 - Building bulk, height, orientation, and programming that protects public views and preserves light and air within the public realm, and that is oriented to active and passive public gathering spaces, including public open spaces, transit stations, and the Willamette River.
- iii. **Broadway Corridor Framework Plan.** The **Framework Plan**¹¹, adopted by the Prosper Portland Board in October 2015 and by City Council in November 2015, was undertaken to provide greater certainty regarding Prosper Portland's and the City's development objectives and densities, desired public investments, and financial capacity to acquire and develop the Broadway Corridor, with a particular focus on the USPS Property. The Framework Plan called for a high-density mix of uses including employment and residential uses, and investments in public infrastructure such as parks and multi-modal streets. Fundamental to the USPS Property acquisition and redevelopment is a balance of public benefits, land value, and private redevelopment. The Framework Plan resulted in the following recommendations specific to the USPS Property, which will serve as foundational assumptions in the forthcoming Development Planning Phase:
 - **Dense Mixed-Use Development:** In order to sustainably address the City's 2035 growth projections, development of the USPS Property is projected to provide almost 4,000,000 square feet of mixed-use development. Increases to the floor area ratio (FAR) from 4:1 to 7:1 are included in the CC2035

⁷ <https://www.portlandoregon.gov/bps/61672>

⁸ <https://www.portlandoregon.gov/bps/65670>

⁹ <https://www.portlandoregon.gov/bps/47907>

¹⁰ <https://www.portlandoregon.gov/bps/74683>

¹¹ <http://prosperportland.us/wp-content/uploads/2016/07/Broadway-Corridor-Framework-Plan-and-Appendices.pdf>

Plan, as are increases in maximum height from 75' to 250' on the southern portion of the site and to 450' on the northern portion. City Council approved early implementation of these recommendations in October 2017.

- **Street Plan:** An update to the City's **Transportation System Plan**¹² (TSP) is underway, and City Council approval is anticipated this winter. The TSP update includes a revised street plan for the USPS Property, reflecting the findings of the Framework Plan:
 - » NW Park Avenue is extended as a full street from NW Hoyt Street to NW Johnson Street
 - » NW Johnson Street is extended from NW 9th Avenue to NW Broadway
 - » The rest of the grid is extended as "Pedestrian Connections / Secondary Routes (Alignment Uncertain)." This category allows flexibility in the development review and master planning process to include pedestrian connections and potentially some secondary routes to serve local access only for motor vehicles.
 - **Affordable Housing:** The Framework Plan and subsequent discussions committed to providing affordable housing within the future redevelopment of the USPS Property. As such, PHB contributed to the acquisition of just over 16% of the USPS Property, providing control of development rights sufficient to accommodate approximately 700 units of affordable housing, or thirty percent of the contemplated residential development as modeled in the Framework Plan. The affordable housing is anticipated to be delivered via a combination of Inclusionary Housing and investment by PHB, as further described in the following Section and Section 3.C.ii.
- iv. **Affordable Housing Policies and Plans.** PHB, through partnership with other government entities, extensive community engagement, and leadership from City Council, is charged with investing in and influencing equitable affordable housing outcomes. Some of the specific policies affecting housing city-wide include the following:
- a. **Inclusionary Housing.** The City of Portland has identified the need for a minimum of 23,000 additional housing units to serve low and moderate income households. PHB administers the **Inclusionary Housing program**¹³, which is designed to help meet this need, working to preserve economically diverse neighborhoods and housing affordability. Inclusionary Housing requires that all residential buildings proposing 20 or more units comply with one of six regulatory options. Development of the USPS Property will be required to pursue Regulatory Option 2: Provide 10% of units affordable at 60% area median income (AMI). The following incentives apply with this option:
 - » 10-year property tax exemption for all residential units
 - » Exemption of the Affordable Housing Construction Excise Tax on affordable units
 - » SDC exemptions on affordable units
 - » Possible exemption from parking requirements as detailed in Title 33.226(D).
- The additional Density/FAR bonus is not applicable to the USPS Property. However, PHB will contribute a portion of its development rights on the USPS Property for the purpose of delivering the affordable housing units required by the Inclusionary Housing program. The affordable housing requirements for the USPS Property are further described in Section 3.C.ii.
- b. **Home for Everyone: A United Community Plan**¹⁴
 - c. **Portland's Housing Bond Framework**¹⁵
 - d. **Rental Housing Commission** (City Council Ordinance)¹⁶
 - e. **Housing Emergency** (City Council Ordinance)¹⁷

¹² <https://www.portlandoregon.gov/transportation/63710>

¹³ <https://www.portlandoregon.gov/phb/72698>

¹⁴ <https://multco.us/file/35839/download>

¹⁵ <https://www.portlandoregon.gov/phb/article/659537>

¹⁶ <http://prosperportland.us/wp-content/uploads/2017/04/Rental-Housing-Commission.pdf>

¹⁷ <http://prosperportland.us/wp-content/uploads/2017/04/Housing-Emergency.pdf>

¹⁸ <https://www.portlandoregon.gov/bps/66993>

v. **Climate Action Plan (2015).** Portland's **Climate Action Plan**¹⁸ is a strategy to put Portland and Multnomah County on a path to achieve a 40 percent reduction in carbon emissions by 2030 and an 80 percent reduction by 2050 (compared to 1990 levels). For all new buildings, the 2030 goal is to achieve net zero carbon emissions. Climate Action Plan identifies more than 100 actions to be completed or significantly underway in the next several years, including the following:

- Reduce the total energy use of all buildings built before 2010 by 25 percent; achieve zero net carbon emissions in all new buildings and homes; and supply 50 percent of all energy used in buildings from renewable resources, with 10 percent produced within Multnomah County from on-site renewable sources, such as solar.
- Create vibrant neighborhoods where 80 percent of residents can easily walk or bicycle to meet all basic daily, non-work needs and have safe pedestrian or bicycle access to transit; and reduce daily per capita vehicle miles traveled by 30 percent from 2008 levels.
- Reduce consumption-related emissions by encouraging sustainable consumption and supporting Portland businesses in minimizing the carbon intensity of their supply chains.
- Sequester carbon through increased green infrastructure (trees, plants, soil) and natural areas; reduce effective impervious areas by 600 acres; and expand the urban forest canopy to cover at least one-third of the city, with a minimum canopy cover of 15 percent of the central city.

vi. **Portland Plan (2012).** The **Portland Plan**¹⁹ addresses some of our community's most pressing challenges, including income disparities, high unemployment, a low high school graduation rate and environmental concerns. Portland's walkable neighborhoods, public transit system, robust Central City, and biking and sustainable food cultures are features that cities around the world emulate. Our unique and compact neighborhoods continue to attract newcomers who like the scale and livability of this beautiful city. But not all Portlanders have equitable access to opportunities to advance their well-being and achieve their full potential. Practical, measured and strategic, the plan recognizes that Portland in the future will be a more racially, ethnically and age-diverse city and that various parts of the city are different—one size does not fit all. The Portland Plan includes actions for the near-term as well as the next 25 years to help Portland:

- Grow the economy and add more and better jobs.
- Create housing and neighborhoods that are affordable for more Portlanders.
- Reduce disparities in health, income and education.
- Improve graduation rates and get people ready for jobs.
- Improve the health of kids, adults and families.
- Increase our sense of safety and overall well-being.
- Create a cleaner and greener built and natural environment—more trees, better air and water quality, and lower carbon emissions.
- Promote greater access to complete, walkable neighborhoods—with healthy food, parks, shops, transportation options and other amenities.

vii. **River District Urban Renewal Area.** The Broadway Corridor is located within the **River District URA**²⁰ which was created in 1998 and totals 314 acres. The River District Urban Renewal Area Plan focuses on the creation of a high-density, self-sufficient urban residential neighborhood with a mix of multi-family, mixed-income housing, major office facilities, regional attractions, retail businesses, parks and open space, and linkages with adjacent neighborhoods and the Willamette River. Twenty years ago, the Pearl District was a derelict, underused railroad yard and warehousing area within the URA. Today, it's an internationally-recognized success story. Expansion of the River District boundaries in 2009 included portions of Old Town/Chinatown to help meet community goals and objectives for the area. To date, 90 percent of the funding for River District development has come from private sources. Since the inception of the district, its assessed value has grown by \$1.7 billion.



¹⁹ <http://www.portlandonline.com/portlandplan/>

²⁰ <http://prosperportland.us/portfolio-items/river-district/>

5. Financial Objectives & Transaction Structure

A. Financial Objectives

Prosper Portland is seeking to enter into an innovative public-private partnership to complete the work and development vision described in this RFQ, while also meeting certain financial objectives:

- i. **Debt Repayment.** Prosper Portland utilized a line of credit from the City of Portland to make available adequate resources for the acquisition of the USPS Property. A payment of approximately \$40 million is due by June 2022 to retire this debt. Prosper Portland intends to utilize proceeds from a land transaction for the USPS Property to fund this payment.
- ii. **Revenue Stream.** Prosper Portland further aims to structure transactions for the USPS Property in a manner that provides a predictable ongoing revenue stream to Prosper Portland, commensurate with its investment in the site.
- iii. **Prosper Portland Financing.** Prosper Portland is willing to consider employing financial resources to attain the community goals and redevelopment objectives for the USPS Property and/or produce higher long-term value through sources including tax increment financing, the **Portland Enterprise Zone Program**²¹, and potentially the **Regionally Significant Industrial Sites Program**²².

B. Transaction Structure and Agreements

Upon selection, the Developer will serve as an advisor during the Development Planning Phase. Following successful completion of the Development Planning Phase, the Developer will have exclusive rights to negotiate for the redevelopment of the USPS Property.

The Developer and Prosper Portland will enter into a Memorandum of Understanding (MOU) in May 2018 that describes in general terms the conditions, contingencies, and commitments by the parties separately and/or jointly that must be completed during the Development Planning Phase and prior to negotiation of a Development Agreement, Community Benefits Agreement or other transaction document(s) anticipated in mid-2019.

The MOU is non-binding and may be terminated by either party in its sole discretion. The Developer will not receive any compensation for services provided during the Development Planning Phase. However, the potential repayment of pre-approved third party costs due to termination of the MOU may be contemplated in the MOU.

Transactions for the USPS Property may be phased over time and may include a combination of a long-term ground lease, a purchase and sale agreement with a financial participation mechanism, or other innovative approaches. Recommendations on how to structure the transaction in a manner that meets the financial objectives articulated in Section 5.A are requested in the Submittal Requirements described in Section 6.

PHB, and the development rights controlled by the bureau, may or may not be party to the agreements and transactions described above. This determination will be made in PHB's sole discretion and informed in part by PHB's available resources and the Developer's ability to deliver on the affordable housing commitments beyond the Inclusionary Housing requirements.



²¹<http://prosperportland.us/portfolio-items/portland-enterprise-zone/>

²²<http://www.orinfrastructure.org/Infrastructure-Programs/Industrial-Development/RSIS/>

6. Submission Requirements

Statements of Qualifications from development teams should, at a minimum, provide a table of contents and the following information (arranged in order). Note, consultant and subconsultant firms under contract with Prosper Portland for work pertaining to the Broadway Corridor may not also be concurrently on a development team unless expressly authorized by Prosper Portland prior to submission of team Statement of Qualifications.

Team Overview, Qualifications and Past Performance

1. **Cover Letter:** A letter signed by an authorized officer of the development team to make a binding commitment for the Respondent, stating that the Proposal is valid for 180 days and that, if selected, the Developer will negotiate in good faith with the owner. The Cover Letter should also include contact information for your primary point of contact for this RFQ.
2. **Executive Summary:** A clear and concise summary of the development team's background, level of expertise, relevant experience and ability. The summary should reflect the team's understanding of the Broadway Corridor development scope, project goals, and stakeholder engagement expectations, and make the team's case of why they should be selected. The Executive Summary should be structured in a manner that allows it to serve as a stand-alone summary when separated from other Sections of the response. (five pages maximum)
3. **Development Team:** Overview and Organizational Structure, including:
 - a. Roles and responsibilities with respect to the planning and development process for each member of the team. Respondents shall provide an organizational chart and narrative description that identifies the proposed team structure clearly delineating relationships between reporting roles and any contractual relationships. Respondents must identify the proposed Project Manager and lead developer if a partnership.
 - b. Summary qualifications of key project staff, including a description of their roles on this project, a resume, and relevant experience from past projects including:
 - i. Master development expertise
 - ii. Public-Private Partnerships
 - iii. Affordable Housing
 - iv. Community partnerships
 - c. Identification, description and rationale for any third-party consultants deemed necessary for the Development Planning Phase of work described in Section 3.C and not included in the Prosper Portland scope of work described in [Attachment G](#).
 - d. The anticipated investment of personnel hours and financial resources associated with creation of the Development Plan and approval of the Master Plan, further described in Section 3.C and [Attachment G](#).
 - e. Policies, approaches and demonstrated success in maintaining a diverse and equitable workforce (age, gender, disability) and maximizing diversity in business practices and past projects.
4. **Past Performance:** Respondent's qualifications should demonstrate expertise and proven experience in public-private partnerships delivering high-density, mixed-use (residential, office, retail) and mixed-income development. Provide narrative and illustrative materials on no more than five (5) current or recent projects of similar or comparable scope with specific emphasis on projects of similar scale and vision. Past Performance examples shall include at a minimum:
 - a. Name / address / location of project
 - b. Development team members including lead developer, project architect, general contractor, lender(s) and equity provider(s); and role of current Development Entity principals in the transaction.

- c. Development scope
 - i. Land area (square feet)
 - ii. Square footage of buildings (broken down by product type)
 - iii. Residential unit mix (including unit type and percent of affordable housing by income band)
 - iv. Parking spaces and orientation (above grade structured, surface, below grade)
 - v. Construction type (high-rise, mid-rise, low-rise)
 - vi. Site plan, photographs, and project renderings indicating architectural quality and urban design characteristics.
- d. Dates of the transaction milestones
 - i. Property acquisition
 - ii. Start of construction
 - iii. Completion of construction/opening
- e. Development financing
 - i. Total project development costs (excluding land costs)
 - ii. If the project was a public-private partnership, provide the following information regarding total consideration to the land owner including but not limited to:
 - (a) Land value (initial proposal and final negotiated agreement) – amount, methodology for establishing amount (if applicable)
 - (b) Other public benefits - list and identify the cost of each (i.e. public parking, public facilities, off-site improvements, etc.)
 - (c) If the project received public financial assistance, provide the amount, form and structure of any public financial assistance (i.e. tax-exempt bonds, below market debt, guarantees and other types of credit enhancement, grants, Tax Increment Financing, Payments In Lieu Of Taxes, EB – 5 Financing, TIGER Grants, etc.)
- f. Project outcomes:
 - i. Statement of how the project compares to the vision for Broadway Corridor, and for each Guiding Principle articulated in Section 2, indicate outcomes using specific metrics (e.g. transit modal share, energy performance of buildings, industry recognition, awards, or certifications received).
 - ii. Unique approaches, challenges and solutions associated with community engagement and performance oversight for the project, such as community collaboration, incorporation of a community benefits agreement, and ongoing oversight and reporting mechanisms.
 - iii. Utilization of certified minority-owned, woman-owned, and DBE firms and union vendors in construction and ongoing operations.
- g. Two (2) references from each Project including e-mail and phone number. More consideration will be given to positive references from:
 - i. Equity or debt partners;
 - ii. Public sector partners; and
 - iii. Community partners.

Financial Information

1. **Financial Capability:** Given the complex nature of the Project, the owner must understand the development team's capacity to undertake and successfully complete the project.
 - a. Completed Statement of Developer Qualifications and Financial Capability ([Attachment O](#)), including one completed form for each developer if a partnership.
2. **Partnership:** Description of a recommended transaction structure to achieve Prosper Portland's financial goals articulated in Section 5.

7. Evaluation Criteria

All Statements of Qualification will be reviewed by Prosper Portland staff to determine compliance with the Minimum Criteria described below. All Statements of Qualifications meeting this threshold (determined at the sole discretion of Prosper Portland staff) will progress through the evaluation and selection process described in Section 8.

Minimum Criteria

The following criteria reflect the minimum qualifications for redevelopment of the Broadway Corridor – and specifically the USPS Property.

Respondents must have demonstrated successful experience meeting or exceeding the following criteria, determined at the sole discretion of Prosper Portland staff, to be further considered by the Evaluation Committee.

1. Implementing projects similar in development scope and type to proposed project, including projects with public/private development partnerships.
2. Financing comparably scaled and complex projects; and the financial capacity of development team.
3. Participating in, or a willingness to participate in, a Community Benefits Agreement (CBA).
4. Engaging and maintaining ongoing partnership with community partners to deliver projects (e.g. no fines, lawsuits, etc), particularly through partnerships with communities of color to serve community needs and priorities.
5. Demonstrated ability to maximize diversity through inclusive practices in its past projects or business practices and commitment to meet and exceed the Prosper Portland Equity Policy (or comparable policy).
6. Developing projects that have integrated and sustained both large (500+ employees) and medium-size (25-50 employees) employers.
7. Demonstrated ability to advance green building, green infrastructure, and sustainable developments in past projects through existing and innovative technology; and commitment to meet and exceed the Prosper Portland Green Building Policy (or comparable policy).



Evaluation Criteria

Respondents meeting the Minimum Criteria will be evaluated on the breadth and depth of demonstrated successful experience providing robust community benefits as demonstrated by the following criteria. It is recognized that Respondents may not have experience in all areas.

8. Transparent planning for and reporting on project metrics, including working with an oversight committee to ensure that equity commitments are maintained after completion of the project.
9. Working with multiple organizations/agencies to deliver mixed-income, age-friendly Transit Oriented Development (TOD) with an active multi-modal transportation hub and accommodating advancements in mobility and parking (e.g. bus rapid transit, autonomous vehicles, electric vehicles, and automated/stacked parking).
10. Delivering safe active transportation including bike and pedestrian access through a comparably sized mixed-use site.
11. Developing, programming and leasing projects to or otherwise providing opportunities to businesses owned by people of color.
12. Maintaining a diverse and equitable workforce (race, gender, disability) including a development team that includes people of color and a history of fair and equitable labor practices.
13. Utilization of certified minority-owned, woman-owned, DBE, and local firms as well as union vendors in construction and ongoing operations.
14. Providing a mix of housing types to serve a diverse income mix, including family-sized units; preference for developers who have previously exceeded accessibility and/or affordable housing minimum expectations, requirements or laws.
15. Providing opportunities to sustain and grow a diverse range of small businesses.
16. Providing internships, work experiences and career pathways for youth and communities of color via commitments by tenants and partnerships with Workforce Investment Boards.
17. Incorporating high environmental standards in all phases of project design and implementation (including material sourcing, water and energy usage, emissions, and integration of green infrastructure and greenspace) with specific care taken to minimize negative environmental impacts on the surrounding communities and communities from which materials are sourced, with a focus on communities of color and low income communities.
18. Incorporating green space and natural environment in development projects.
19. Developing large-scale mixed-use and mixed-income developments that meet neighborhood needs and have distinctive character in terms of use, materials, architectural design and scale.
20. Designing, developing and programming projects that maintain vibrancy over the long term and serve as destinations for the surrounding city.
21. Integrating signature public spaces that offer a range of urban and natural experiences and amenities.
22. Integrating diverse art that reflects the history, culture, community, and natural history of the region.

8. Selection Process & Summary of Key Project Dates

Statements of Qualifications meeting or exceeding the Minimum Criteria listed in Section 7 will be evaluated by representatives of Prosper Portland, PHB, and the Stakeholder Advisory Committee (Evaluation Committee). Utilizing the Evaluation Criteria listed in Section 7, the Evaluation Committee will short-list Respondents to provide presentations in a public forum attended by the Steering Committee and other interested parties. Additional information and instructions for the public forum will be provided to the short-listed Respondents in advance.

The Executive Committee, taking into consideration input from the Steering Committee, will recommend a preferred development team to the Prosper Portland Board of Commissioners for final consideration and approval.

Evaluation will be based on the Statements of Qualifications, information provided in the public forum, and any related information that Prosper Portland may request or discover in analyzing or verifying information submitted in the proposal. The following criteria will be used to evaluate the proposals, with consideration of: transparency of information, depth and scale of past demonstrated experience, innovation, and applicability or relevancy to the Portland market and Broadway Corridor redevelopment.

A preliminary overall schedule for the project, including the selection of a Developer and the Development Planning Phase is summarized below. The assumptions are subject to change based on project requirements.

Activity	Timeline
Developer Solicitation	
Issue RFQ	November 8, 2017
Informational Pre-proposal Meeting	December 6, 2017
Deadline for questions regarding RFQ	January 5, 2018
Proposals Due	January 19, 2018 5:00 PM (Pacific)
Public Presentation by short-listed respondents	February 27, 2018
Approval of Developer by Prosper Portland Board	April 11, 2018
Execute Memorandum of Understanding	May 2018
Development Planning Phase	May 2018 - June 2019
Negotiate Development Agreement and Community Benefits Agreement	Mid-2019
Deadline for transaction adequate to repay City debt described in Section 5	June 2022

9. Public Ownership Team

Prosper Portland is leading the community engagement and development planning efforts for the Broadway Corridor, including coordination with the Mayor's Office, the Portland Housing Bureau, and other city bureaus and agency partners. The USPS Property is jointly owned by Prosper Portland and PHB. Prosper Portland additionally owns Union Station, Block R, Block Y, and the Broadway Bridge site within the study area.

A. Prosper Portland

Created by Portland voters in 1958 as the Portland Development Commission, **Prosper Portland**²³ has been a driving force in Portland's reputation for vibrancy and livability. Prosper Portland released a new, **five-year strategic plan**²⁴ in 2015. The plan focuses our work on building an equitable economy, especially benefiting communities of color and those who have been historically underserved.

With this plan Prosper Portland seeks to empower people, communities and businesses to thrive in the regional and global economies, thereby increasing the percentage of households living at or above self-sufficiency by 2020. In doing so, we will ensure that Portland—the city we love—becomes one of the most globally competitive, equitable, and healthy cities in the world.

Attaining the goal of widely shared prosperity among all residents of Portland requires our deliberate and equal focus on four key areas:

- **Quality jobs.** Our programs provide Portland companies with access to new markets, technical assistance, and loans so they can grow and hire. We also connect Portlanders with better access to job training and job opportunities and support companies in a range of high-growth sectors that create quality jobs.

- **Widely shared prosperity.** We support small and growing businesses led by diverse entrepreneurs to thrive in innovative sectors and on main streets. We prioritize property ownership and real estate projects within communities of color and in low-income neighborhoods to create assets that can be passed on from one generation to the next.
- **Collaboration with our partners for an equitable economy.** Collaboration with community-based organizations, the private sector and other public entities is central to the success of our job-creation, place-making and economic opportunity work across Portland. These partnerships ensure that the gains from economic growth and development benefit all communities, especially communities of color and those historically underserved.
- **Vibrant neighborhoods and communities.** Our work strengthens Portland's unique communities by building and increasing access to healthy, complete neighborhoods—those with essential goods and services, connected to jobs, with transportation options and access to open spaces—throughout the city. We also support innovative civic solutions that promote mixed-income neighborhoods with both affordable and workforce housing, and that evolve in ways that honor cultural diversity.

To achieve these goals, we are committed to continual evolution as an agency of change, and to operating in an equitable, innovative, and financially sustainable way. Redevelopment of the Broadway Corridor, and specifically the USPS Property, is intended to advance these goals and the project-specific goals previously described in Section 2.



²³<http://prosperportland.us>

²⁴<http://prosperportland.us/wp-content/uploads/2016/04/PDC-Strategic-Plan.pdf>

In carrying out our mission over the years, Prosper Portland (formerly known as the Portland Development Commission or PDC) has played a key role in some of Portland's most important landmarks, including Pioneer Courthouse Square, Pioneer Place, the Lan Su Chinese Garden, Gov. Tom McCall Waterfront Park, the Eastbank Esplanade, and Airport, Interstate and Transit Mall-Clackamas MAX Light Rail. Recent accomplishments involving property redevelopment include the following projects:

- The Pearl District Development Agreement, a complex, 300-page Master Development Agreement entered into by the developer, the City and PDC in 1997 is the foundation of the district's successful redevelopment. It outlined a series of reciprocal obligations on the developer and City that called for private sector concessions with each public contribution. For instance, the city demolished an old viaduct and rebuilt streets while the developer agreed to dedicate the right of way for all streets and build to a minimum density of 87 units per acre. The city constructed the \$60 million streetcar while the developer contributed \$1 million and built to a minimum of 109 units per acre. The city built the district's three new parks, and the developer donated the land and increase density to 131 units per acre. Finally, the city subsidized affordable housing and the developer agreed to build 25% of the units as affordable.
- The South Waterfront Development Agreement, which originated in 2003, has guided significant public and private investment in the development of the central district, transforming the area into a vibrant, sustainable mixed-use neighborhood that offers open space, commercial, retail, institutional and educational facilities as well as a range of housing options at various levels of affordability. Notable recent projects include the Knight Cancer Research Building, the Center for Health and Healing South, the Rood Family Pavilion, all major additions to the Oregon Health & Science University (OHSU) campus, and The Osprey, a privately owned, market-rate apartment building.
- The Old Town Chinatown Action Plan outlines recommended steps and resources to create a safe, vibrant, economically healthy neighborhood that will maintain Old Town/Chinatown's unique character and harness its opportunities. Its strategic objectives are to attract new neighborhood investment to activate key properties and improve district connectivity; promote business vitality by increasing employment and retail activity; and align resources and build local capacity for improving district livability.
- The Burnside Bridgehead redevelopment partnerships have transformed the four-acre, four-block Burnside Bridgehead site as an essential component in the city's work to energize redevelopment, stimulate job creation and generate tax increment in the Central City. Today a mix of uses – commercial, employment and residential – activate the site, build on its unique character, and provide opportunities for the community to gather.

- Lents Town Center is a four-site redevelopment promoting the growth of a mixed-use, mixed-income community that stimulates improved business and resident satisfaction. Projects include the Asian Health & Service Center; Lents Commons and Oliver Station, both of which offer a mix of market-rate and affordable housing and ground-floor retail; and the Woody Guthrie, which combines workforce housing with affordable units.

B. Portland Housing Bureau

Since its creation in 2009, PHB²⁵ has worked toward a vision that "all Portlanders can find affordable homes...and have equitable access to housing." To that end, PHB is charged with developing citywide housing policy, delivering programs that increase the supply of affordable housing and promote stable homeownership, and administering a broad range of resources, including federal funds, local general fund, the "Affordable Housing Set-Aside" of urban renewal district tax increment funds, and the recently created Inclusionary Housing Program. Through its policies, plans, and funding, PHB stabilizes families in their current homes, provides new affordable housing opportunities, and fosters equitable, integrated, and diverse communities. PHB's values as stated in its Strategic Plan are:

- **Equity.** We are committed to social justice in the delivery of housing to all residents of Portland's diverse communities.
- **Stewardship.** We invest, leverage and prioritize spending in ways that provide the highest public value and have the greatest influence on critical housing needs.
- **Transparency.** We build long-term trust by operating with integrity, inviting broad public involvement and following processes that are clear, open and without bias.
- **Innovation.** We believe new thinking, partners and ideas will help us build an effective organization and resolve long-standing challenges.



²⁵ <http://portlandoregon.gov/phb>

10. Terms of this RFQ

- A. This RFQ is not a request for competitive proposals and is not subject to the Oregon Public Contracting Code (ORS 279). This RFQ in no way obligates Prosper Portland to enter into a relationship with any entity that responds to this RFQ or limits or restricts Prosper Portland's right to enter into a relationship with an entity that does not respond to this RFQ. In its sole discretion, Prosper Portland may pursue discussions with one or more entities responding to this RFQ or none at all. Prosper Portland further reserves the right, in its sole discretion, to cancel this RFQ at any time for any reason.
- B. To the extent that Prosper Portland elects to enter into a relationship with an entity regarding a development proposal, such entity shall be required to comply with Prosper Portland's policies, including its Business and Workforce Equity Policy and Green Building Policy in connection with any work undertaken on such proposal.
- C. Information provided to Prosper Portland in response to this RFQ will become the property of Prosper Portland and will be subject to public inspection in accordance with the Oregon Public Records Law, ORS 192.410, et seq. If an entity responding to this RFQ believes that a specific portion of its response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a "trade secret." Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. Prosper Portland will make that determination based on the nature of the information and the requirements of the Oregon Public Records Law.
- D. Every effort has been made to include all the information necessary to prepare and submit a responsive statement of qualifications to the RFQ. However, in the event additional information is desired, please refer to the RFQ Instructions at the start of this RFQ. During the course of this RFQ process, Development Entities are encouraged to refrain from undertaking any activities or actions to promote or advertise their proposals except in the course of Prosper Portland-authorized presentations; or to make any direct or indirect (through others) contact with members of the Prosper Portland Board of Commissioners, Steering Committee members, or other Prosper Portland or City staff not identified as a contact for specific information, except upon prior approval.
- E. Prosper Portland is self-represented for this transaction and will not be paying any third party brokerage fees.

11. Appendix

Download all attachments via **Dropbox** or individually below:

- A. [Broadway Corridor Site Map](#)
- B. [Prosper Portland Business Equity Program Specifications](#) (January 2016)
- C. [Prosper Portland Workforce Equity Program Specifications](#) (November 2013)
- D. [Prosper Portland Green Building Policy](#) (May 2015)
- E. [Union Station Multi-Modal Transportation Assessment](#) (September 2017)
- F. [Racial Equity Impact Assessment](#)
- G. [Development Strategy Scope of Work Overview](#)
- H. [USPS Retail Requirements](#)
- I. [Existing Building Analysis](#) (May 2017)
- J. [Final Pre-Demolition Hazardous Materials Survey](#) (August 2008)
- K. [Boundary and Topographic Survey, United States Post Office](#) (June 2016)
- L. [ALTA / NSPA Land Title and Location Survey, United States Post Office](#) (June 2016)
- M. [Master Remedial Action Work Plan](#) (May 2016)
- N. [Phase I Environmental Site Assessment, USPS Portland P&DC Property](#) (August 2016)
- O. [Developer's Statement of Qualifications and Financial Capability](#)

