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- Sarah Harpole, Portland Development Commission
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- Ken Rust, Portland Bureau of Revenue and Financial Services
- Bruce Wood, Portland Development Commission

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- J. Benjamin Chessar, Pacific Realty Associates, L.P.
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ZGF

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- Nolan Lienhart
- Santiago Mendez
- Amanda Hills
- Laura Squillace
Plan Context

2015

- Broadway Corridor Framework Plan
  
Union Park

PSU Center for Real Estate
PSU/NAIOP Workshop Summer 2016

PSU/NAIOP Workshop Broadway Corridor Development

Oregon State University

Union Park Portland, OR

USPS Redevelopment Proposal
Plan Context

2015

2016

• PSU Center for Real Estate USPS Re-Development Program
Plan Context

PDC Master Planning Process
Plan Context

- Begin Construction on USPS Site

2015

PSU/NAIOP WORKSHOP
BROADWAY CORRIDOR DEVELOPMENT
SEPTEMBER 2016
Existing Conditions
LAND INVENTORY

PDC OWNED

1. USPS Site
2. Union Station and Block Y
3. PNCA
4. Block R
**Non-PDC Owned**

1. PNCA Parking
2. Bud Clark Commons
3. Multnomah County Health Department (future)
4. Greyhound
TRANSPORTATION & ACCESS
GOALS & OBJECTIVES

- Align with Public Plans
- Achieve financial viability
- Maximize density
- Provide a platform for an inclusive community
- Incorporate environmental stewardship
- Promote economic growth
Challenges

• Barriers to connectivity
• Lovejoy and Broadway elevated ramps
• Railroad tracks separate site from river
• Concentration of homeless population
• Activation of Union Station
Opportunities

- Size
- New product types such as large floorplate office
- Transit rich
- Strong pedestrian and bike connections
- Access to the east side of river
- Pearl and Old Town Chinatown
Makers Quarter
San Diego
MAKERS QUARTER
SAN DIEGO

4.1 ACRE PARK ADJACENT

72k SF OPEN SPACE

800+ RESIDENTIAL UNITS

145k SF ACTIVE USE

1M SF CREATIVE OFFICE

2,700 PARKING SPACES
Schuylkill Yards
Philadelphia
Schuylkill Yards
Philadelphia

5M SF Mixed Use Space

14 Acre Master Planned Development

1.3 Acre Park

$3.5B Project Cost

Partnership b/w Drexel University & Brandywine Realty Trust

20 Year Plan
Hudson Yards
New York City

28 acres
Site

17M
SF Commercial/Residential

1M
SF Retail/Mixed Use

14 acres
Public Space

4K
Residential Units

$3.5B
Project Cost
TAKEAWAYS

- **Transit Oriented**
- **Focus on Open Space**
- **Live, Work, Play Communities**
- **Public Art**
- **Competing for Premier Anchor Tenants**
- **Foster Entrepreneurial Creative and Tech**
Development Program
Open Space
• Hinge District
• Connects Pearl District to Old Town Chinatown
• Permeability for pedestrians, bikes, cars
• Sense of regionality
• “Feels like Portland”
• Vibrant & inclusive
Open Space

2.8 Acres New Open Space

21% USPS Land Area

Programmed Space

Destination Features
Open Space Programming

- prospect
- multimodal
- events
- festivals
- recreation
GREEN LOOP CONNECTION

BRIDGEHEAD PLAZA
bike ramp
sloped lawn
stair transition to greenway
biketown hub
Public Plaza

Canopy Plaza

2

Civic Plaza

Movable seating

Splash pad
North Park Blocks

PARK BLOCKS
adventure playground
green loop
gardens & greenspace
stormwater management
dog park
BROADWAY UNDERBELLY

- Food carts
- Incubator restaurants
- Transit hub
- Public artwork
- Seating
- Lighting
Residential
Residential

- 2.1M SF of residential
- 2,700 units total
- 30% of total units affordable at 0-60% of Median Family Income (MFI)
- 5 mixed-income buildings
- 1 exclusively affordable housing building
- 2 condo buildings
Affordable Housing

- Portland Housing Bureau agreed to contribute $20M to the project in exchange for guarantee that 30% of units would be affordable
- 90% of affordable units (703 units) at 60% MFI
- 10% of affordable units (75 units) at 30% MFI
- 753 total affordable units provided
**Mixed Income**

- Integral to a vibrant and inclusive community
- 20% of units in mixed income buildings have rents at 60% MFI
- 349 affordable units in mixed income buildings
- Financed using MULTE program
- Impact of inclusionary zoning TBD
- Part of future urban development
Affordable Building

- 329 units with rents at 60% MFI
- 75 units with rents at 30% MFI
- 404 affordable units total
- Provides space for social services in the building to be shared with Bud Clark Commons
- Financed through LIHTC and Home Forward project-based Section 8
• Ownership invests residents in the neighborhood
• Excess demand due to lack of construction
• Risky due to construction default lawsuits
• Future demand from in-migration and seniors
Office Trends

Market Trends

• Large footprints
• Urban environments with housing for employees
• Flexibility to expand & contract

Amazon buildings, Seattle

Twitter HQ, San Francisco
• 843K SF of office
• Large floorplates up to 100K SF contiguous
• Live, work, play opportunities
• Ability to attract world class anchor tenants
Retail
Parking
Plinth Parking

- High water table and soil contamination prevent digging
- Parking plinth owned by PDC
- Serves retail spaces
- Multiple entrances throughout site
- Generates $1.5M annual income

776 SPACES
23% SEARCHABLE
Automated Parking

- Puzzle parking system uses only 138 GSF per car
- Reduces visual impact of parking
- Discourages vandalism
- Trend toward car storage
- 24-hour valet for condo owners
Phasing
**Phase I**

- **Parking**: 468,019 SF
- **Office**: 462,280 SF
- **Active Use**: 75,087 SF
- **Condo**: 314,716 SF
- **Mixed Income Housing**: 885,040 SF
- **Exclusive Affordable Housing**: 0

**Phase 1 Total**: 2,205,142 SF
Phase 1

Infrastructure

- Johnson St.
- Kearney St.
- Canopy Plaza
- Bridgehead Plaza
- Parking Plinth

Remaining Structures

- USPS Building
- USPS Parking structure
- USPS Retail
# Phase I Financials

## Block R
- **Land Value**: $6,500,000
- **Project Cost**: $76,548,446
- **Project Value**: $107,069,903
- **FAR**: 5.92

## Buildings 1 & 2
- **Land Value**: $21,000,000
- **Project Cost**: $366,536,353
- **Project Value**: $506,502,441
- **FAR**: 13.52

## Building 3
- **Land Value**: $9,500,000
- **Project Cost**: $131,196,554
- **Project Value**: $182,503,755
- **FAR**: 10.77

## Building 5
- **Land Value**: $18,000,000
- **Project Cost**: $192,038,830
- **Project Value**: $234,866,798
- **FAR**: 12.77

## Phase I Total
- **Land Value**: $55,000,000
- **Project Cost**: $766,320,183
- **Project Value**: $1,030,942,897
Phase II

Phase II Total: 1,871,177 SF

- Parking: 194,011
- Office: 380,964
- Active Use: 90,280
- Condo: 211,393
- Mixed Income Housing: 640,800
- Exclusive Affordable Housing: 353,729
PHASE II

INFRASTRUCTURE

- Park Ave.
- Irving St.
- North Park Blocks
- Block Y Transportation Hub
## Phase II Financials

<table>
<thead>
<tr>
<th>Building 4</th>
<th>Building 6</th>
<th>Building 7</th>
<th>Building 8</th>
<th>Phase II Total</th>
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<tr>
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</tbody>
</table>
Financial Summary

Project Total

Land Value
$92,000,000

Project Cost
$1,348,118,158

Project Value
$1,652,498,455
**Financial Considerations**

- SDCs totaling $40M were not included in sources per conversations with city finance managers
- PDC should explore creating a Local Improvement District (LID)
- Projected revenue from interim use of USPS building was conservative at $4.50/SF NNN
- Inclusionary zoning incentives could have large positive impact on land values
- Mixed-income buildings modeled with affordable at 80% MFI had increased land values totaling ~$12.5M
Post-Phase II
Features transportation hub for local and regional transit

Possible site for hotel in the future

PDC proceeds for hotel sale not modeled - could be future revenue source
• Site is owned by Greyhound
• Increased land value as a result of development is likely
• We recommend that super-block is broken up and assumed Greyhound would remain
• PDC involvement likely unnecessary
Owners Representative

• We recommend that PDC hire an owner’s representative
• Owner’s representative should have experience with master-planning and large scale development
• Would serve in a consultant role to help with planning, disposition, and construction management
• PDC would retain decision making power
Concluding Remarks

- Union Park: Bold, Inclusive, Captivating
- Will require substantial investment of public and private resources
- Has the potential to be a truly transformative development if executed with *intention* and *innovation*
Thank You
QUESTIONS