

# *Vanport Square Redevelopment*

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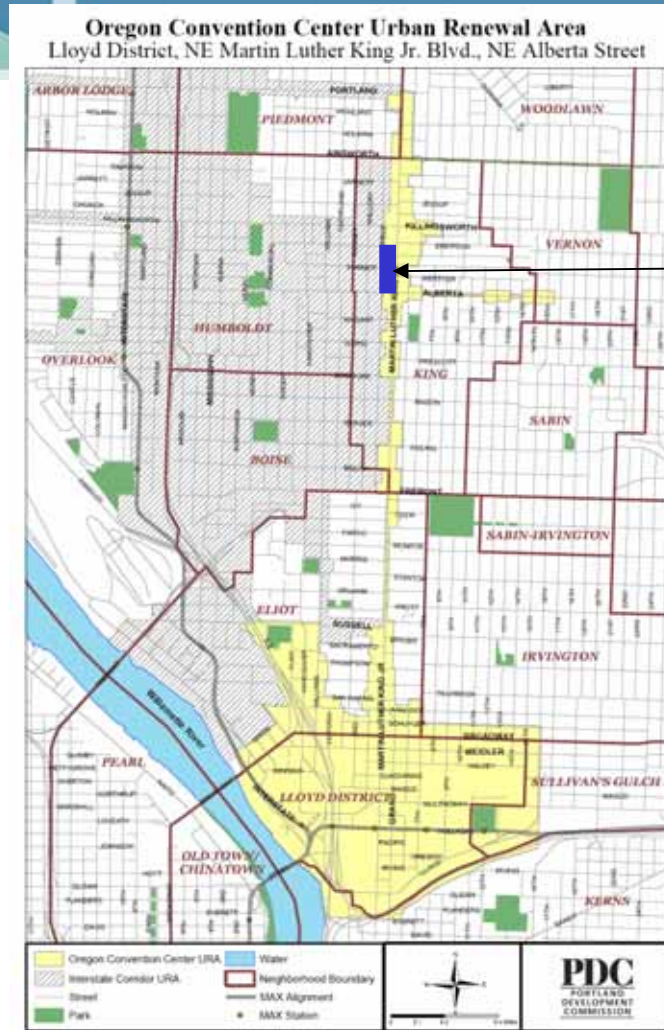
## *Commission Briefing*

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**PDC**  
PORTLAND  
DEVELOPMENT  
COMMISSION

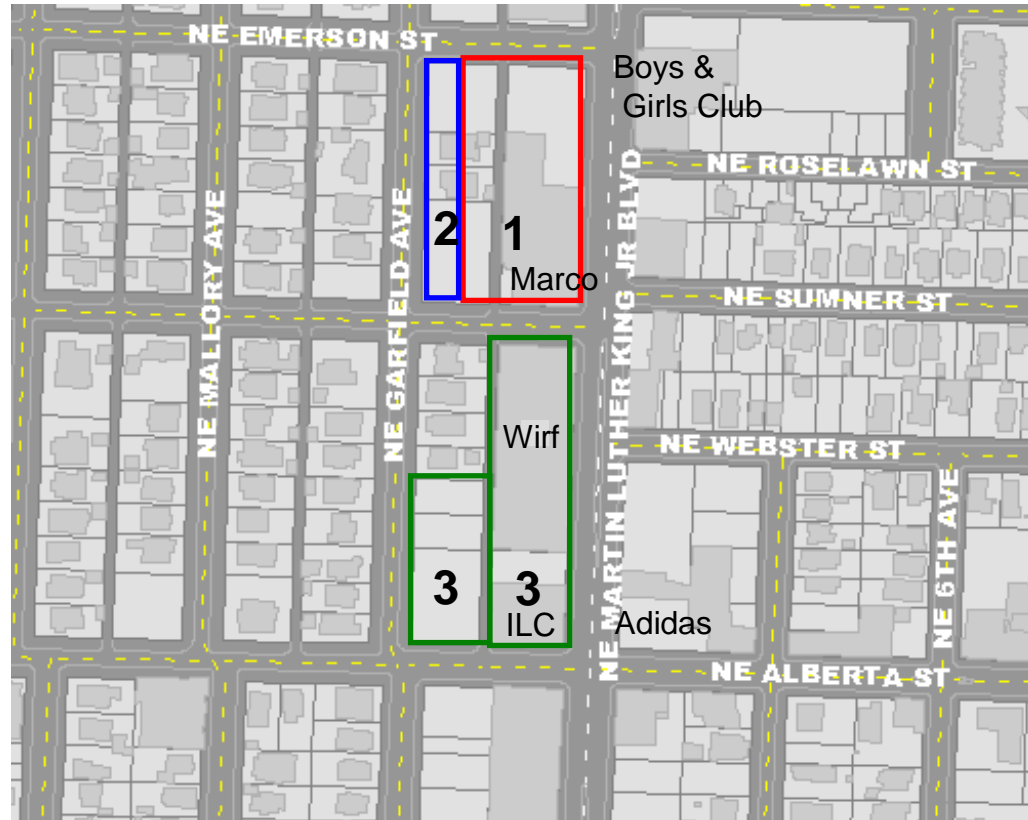
# Context – OCC URA



Vanport Square  
Project Area

# Context – King Neighborhood

- Phase 1 Marco Block
- Phase 2 Garfield Housing
- Phase 3 South Block



# Context



View looking south on NE MLK



# Achieves goals of:

- Oregon Convention Center URA Plan adopted 1989, as amended through 2004
- Albina Community Plan 1993
- King NA Commercial Development Strategy 2000
- Interstate Corridor URA Plan adopted 2001, as amended through 2004



# PDC Actions

- **December 2001** - RFP resulted in the selection of the development team of Ray Leary, Jeana Woolley and GED Development
- **December 2004** – Board authorized Disposition and Development Agreement (DDA) with Vanport Properties
- **July 2005** - Board authorized negotiations for MOU with Vanport Partners and deployment of up to \$6M New Markets Tax Credits



# PDC Actions

- **August 2005** – PDC and Vanport Partners executed MOU for Phase I development
- **October 2005** – Board authorized 2005 predevelopment loan
- **March 2006** – Board considers DDA with Vanport Partners for Phase I development

# Phase I Project Description



- Renovation of the former Marco Machine Works building
- New construction on NE corner of site
- Total development: retail/commercial/flex space 42,000 sf.
- Commercial condominiums, targeting local, small businesses
- Approximately 12 to 15 businesses (1,000 to 5,000 sf)
- 69 parking spaces plus added parking on NE MLK



# Project Benefits

- Model for well-designed, high quality, sustainable development on NE MLK Jr. Blvd
- Catalytic investment on a critical site in NE Portland
- Community wealth creation



# Project Benefits

- Property ownership and expansion opportunities for local businesses
- Retail and service opportunities for the community
- Creation and retention of at least 75 jobs
- Enhanced pedestrian environment / courtyard



# Development Agreement

- Project Cost \$8.7 million
  - PDC \$6.8 million (3%, 20 years)
  - Net New Markets Tax Credit Proceeds \$1.9 million
- Business financed improvements, estimated \$2.4 million; PDC and the Developer will work with local community banks to structure loans for businesses
- Developers required to have commitments from business to fill 50% of the Marco Building prior to execution of DDA



# Public Participation

- **Spring 2005** - Vanport Square Project Advisory (PAC) monthly meetings
- **February 2006** - Vanport PAC endorsement of project
- **March 2006** - Oregon Convention Center URAC endorsement of project
- **July 2005 / February 2006** - Public open houses



# Project Schedule

- **June 2006** - Design complete
- **September 2006** - Convey property, begin construction
- **September 2007** - Project completion



# Board Authorization

- Authorize DDA with Vanport Partners for Phase I Development of Vanport Square
- Authorize the deployment of up to \$10 Million in New Markets Tax Credits
- Authorize exclusive negotiations with Vanport Partners for future Phases of Vanport Square

# Sources and Uses

## Phase I Project Costs

<b>Sources:</b>		<b>Uses:</b>	
<b>OCC URA</b>	<b>6,800,000</b>	<b>Land Acquisition</b>	<b>500,000</b>
<b>NMTC Proceeds</b>	<b>1,900,000</b>	<b>Construction</b>	<b>8,200,000</b>
<b>Total</b>	<b>8,700,000</b>	<b>Total</b>	<b>8,700,000</b>
 <b>Other Privately Financed Costs</b>			
<b>Tenant Improvements</b>	<b>2,400,000</b>		
<b>6% Acquisition Fee</b>	<b>522,000</b>		
	<b>2,922,000</b>		

The FY 05/06 amended and FY 06/07 forecasted OCC URA budgets include \$7.807 Million for the Vanport Square redevelopment.



# Goals Achieved

## Oregon Convention Center Urban Renewal Plan

### **Goal MLK Ext. #4:**

Focus on key commercial nodes on MLK Jr. Blvd.

### **Goal MLK Ext. #5:**

Create local jobs by attracting new businesses and investment.



# Goals Achieved

## Interstate Corridor Urban Renewal Plan

### **Wealth Creation**

Foster entrepreneurship and wealth creation within the community.

### **Family-Wage Jobs**

Prioritize maintaining and attracting family-wage jobs in the URA. Family wage refers to incomes that can sustain a family, including a full range of benefits.

### **Positive Business Environment**

Create an environment that supports existing businesses, increases profitability, creates jobs, and encourages the development of new complementary businesses and industries.

# Goals Achieved

## Albina Community Plan

### **Action BG7**

Revive Commerce on MLK Jr. Blvd. Foster the development of strong commercial nodes at NE Killingsworth/Alberta.

### **Economic Development**

Foster development of distinct, well-anchored commercial, institutional and industrial nodes and centers that serve the needs of the community.

### **Business Growth and Development**

Stimulate investment, capital formation, and job creation benefiting Albina enterprises and households. Expand and diversify the area's industrial, commercial, and institutional employment base.



# Vanport Square Project Team

- Developers – Vanport Partners, LLC.
  - Ray Leary
  - Jeana Woolley
  - Jeff Sackett (Capstone Partners)
- PDC Project Team
  - Bernie Kerosky – Project Manager
  - Nancy Edmiston / Margarita Molina – Legal Counsel
  - Eric Olson – Finance
  - Karen Quimby – Loan Closer
  - Dan Williams – Loan Underwriter
  - Dave Obern – Environmental
  - Fred Atiemo – Economic Development
- PFF Project Team
  - Colin Rowan – Transaction Manager
  - Neal Sacon – Legal Counsel

# Questions ?



VANPORT SQUARE MARCO BUILDING

VIEW FROM MLK BOULEVARD

ANKROM MOISAN  
ASSOCIATED ARCHITECTS

*Investing in Portland's Future*

**PDC**

PORTLAND DEVELOPMENT COMMISSION