



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 080416
Agenda Item #: R.8
Est. Start Time: 10:25 am
Date Submitted: 072916

Agenda Title: Resolution Approving Purchase of Jefferson Station Condominium Unit 7 (1230 SW First Ave, Suite 310), Portland, OR, and Transfer of Surplus Historic Landmark Floor Area Ratio from Existing Courthouse to Jefferson Station

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: August 4, 2016 **Time Needed:** 10 minutes

Department: Board Chair & DCA **Division:** Facilities & Property Management

Contact(s): Ken Elliott

Phone: (503) 988-7604 **Ext.** 87604 **I/O Address:** 530/500

Presenter

Name(s) & Title(s): Ken Elliott, Asst. County Attorney; JD Deschamps, Central Courthouse Project Manager

General Information

1. What action are you requesting from the Board?

The Department of County Assets, Facilities & Property Management Division (FPM) is asking the Board of County Commissioners:

(a) to approve the County's purchase of Jefferson Station Condominium Unit 7 (1230 SW First Ave, Suite 310), Portland, Oregon (the Property), as part of the site assembled for the new Central Courthouse Project (Courthouse Project);

(b) to declare as surplus property 18,830 square feet of Historic Landmark Floor Area Ratio (FAR) on the block of the existing Multnomah County Central Courthouse at 1021 SW Fourth Ave, Portland (Historic Courthouse);

(c) to approve the County's transfer of the 18,830 square feet of surplus Historic Landmark FAR from the Historic Courthouse block to Jefferson Station, either directly or through an exchange of Historic Landmark FAR with a third party; and

(d) to authorize the Chair to execute all documents needed to accomplish the Property purchase and to close the purchase under the terms and conditions of the Agreement for Purchase and Sale (PSA) and to execute all documents needed to accomplish the FAR Transfer from the Historic Courthouse to Jefferson Station.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

By Resolution #2015-031, adopted April 16, 2015, the Board selected the Hawthorne Bridgehead Block 8 site (Courthouse Site) for construction of the Courthouse Project. The County Chair has executed an Agreement for Purchase and Sale (PSA) for Jefferson Station Condominium Unit 7, at 1230 SW First Avenue, Suite 310, Portland, Oregon, subject to the Board approving the closing of the purchase of the Property. The Jefferson Station Condominium is a registered historic landmark building on the southwest quarter of the Courthouse Site (Jefferson Station).

On December 17, 2015, the Board adopted Resolution #2015-129: Approving the FAC-1 Project Plan and authorizing the Schematic Design and Design Development Phases of the Project. On the same day, the Board adopted Resolution #2015-130: Authorizing the County Chair to execute an IGA with the Oregon Department of Administrative Services (DAS) and the Oregon Judicial Department (OJD) for funding the Central Courthouse Project, Phase I.

The County is fee title owner of Units 1, 4, 5, 6 and 8, comprising a majority, controlling interest in Jefferson Station. The County also holds binding contracts to purchase Units 3 and 9, and, upon adoption of the recommended resolution, will purchase Unit 7, leaving only Unit 2 and Storage Unit S-5 under separate ownership.

By a Covenant Transferring Floor Area Ratio dated and recorded January 12, 2016, as Instrument # 2016-004215 in the Multnomah County Official Records, One Jefferson Partners, LLC, one of the County's predecessors-in-interest and owner of the Historic Landmark FAR, transferred the remaining, unused 18,830 square feet of Jefferson Station's Historic Landmark FAR.

The Historic Courthouse block comprises 40,000 square feet and has a base floor area ratio (FAR) of 9:1, for a total base FAR of 360,000 square feet. The Historic Courthouse is a 259,800 square foot structure recognized as a Historic Landmark on the National Register of Historic Places. Pursuant to Portland City Code (PCC) 33.130.205, the Historic Courthouse has not utilized the remaining, unused base floor area potential in the amount of 100,200 square feet, i.e., the Historic Landmark FAR.

The Historic Courthouse will probably never utilize the maximum Historic Landmark FAR allowed under the PCC, because maximum, feasible redevelopment of this registered historic landmark (adding floor area to the interior atrium) requires less than 50,000 square feet and the block will retain 81,370 square feet of unused FAR after the recommended FAR transfer.

By Resolution #2016-067, adopted June 16, 2016, the Board approved the FAC-1 Project Design and Construction Plan for the new Courthouse and authorized the team to proceed with development of detailed construction documents. In order to develop the necessary floor area to house all of the planned Courthouse programs

on Block 8, the County must retrieve 18,830 square feet of Historic Landmark FAR and restore it as base FAR to the County's Condominium Units in Jefferson Station.

Acquisition of the Property will complete the County's acquisition of the 2nd and 3rd floors of Jefferson Station, permitting construction of seismic shear walls to enhance earthquake survival of the building and expanding the County-owned floor area available for high volume courts, family court mediation rooms, and Circuit Court administrative offices.

3. Explain the fiscal impact (current year and ongoing).

Chapter 705, Oregon Laws 2013, authorized creation of the Oregon Courthouse Capital Construction & Improvement (OCCCI) Fund and provides for the sale of Article XI-Q bonds to finance the State's matching share of costs for new or renovated courthouses, or portions thereof, owned or operated by the State under a long-term lease or IGA with each county.

The Courthouse Project was approved by the Oregon Chief Justice and Department of Administrative Services (DAS) on March 16, 2015, which qualifies the project for 50% State funding to match the County's 50% contribution. On March 31, 2015, the State issued Article XI-Q bonds, including \$15 million to fund the State's initial Courthouse Project match.

On January 15, 2016, the County, the Oregon Judicial Department (OJD) and DAS executed the Multnomah County Courthouse Funding Agreement – Phase I. On March 24, 2016, the County submitted Invoice #1 – Phase I for review and approval by OJD and DAS for the first 50% State funding of the Courthouse Project. OJD, acting by and through DAS, has approved the County's first request for disbursement and has paid its first 50% matching share of approved courthouse costs from the OCCCI Fund.

The Board has authorized funds needed for remaining property purchases as part of the 2017 Courthouse Project budget. The cost of acquiring the Property will qualify for the State's 50% match, because the Property will be incorporated into the Courthouse Project.

4. Explain any legal and/or policy issues involved.

Oregon Revised Statute § 1.185 requires each County to "provide suitable and sufficient courtrooms, office and jury rooms for the court, the judges, other officers and employees of the court and juries in attendance upon the court, and provide maintenance and utilities for those courtrooms, offices and jury rooms."

5. Explain any citizen and/or other government participation that has or will take place.

The Project Team has continued to meet regularly with the courthouse users' group, Oregon DAS and OJD, and community stakeholder groups to advise them of progress and milestones achieved and to obtain input on the Courthouse programming and design progress. The Project has a dedicated web page on the

County website that includes past studies and reports, FAQ's, photos and links to past news articles. The County hosted a Contractor MWESB outreach event on March 29, 2016, and an open house on April 21st in the Jury Assembly Room of the existing Courthouse.

Required Signature

**Elected
Official or
Department
Director:** /s/ Sherry Swackhamer, Director,
Department of County Assets **Date:** July 29, 2016

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.