



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

Board Clerk Use Only

Meeting Date:	<u>5/26/11</u>
Agenda Item #:	<u>R.5</u>
Est. Start Time:	<u>10:00 am</u>
Date Submitted:	<u>5/18/11</u>

Agenda Title:	Authorizing Exclusive Negotiations with Melvin Mark Development Company for a Disposition and Development Agreement for the Morrison Bridgehead Properties, Portland, Oregon
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Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date:	<u>May 26th, 2011</u>	Amount of Time Needed:	<u>30 minutes</u>
Department:	<u>NonDepartmental</u>	Division:	<u>Chair Jeff Cogen</u>
Contact(s):	<u>Warren Fish</u>		
Phone:	<u>503-988-5882</u>	Ext.:	<u></u>
I/O Address:	<u>503/6</u>		
Presenter(s):	<u>Warren Fish, Office of the Chair; Mike Sublett, FPM Strategic Projects</u>		

General Information

1. What action are you requesting from the Board?

Authorize exclusive negotiations with Melvin Mark Development Company for a Disposition and Development Agreement ("DDA") for the Morrison Bridgehead Properties, Portland, Oregon, Portland

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.

Multnomah County assembled the Morrison Bridgehead Properties, Blocks 1,2, 16, and 39 in Downtown Portland, ("the Property"), through a series of acquisitions in the late 1950's for staging and construction of the third Morrison Bridge and access ramps. The Property has subsequently been operated as a surface parking lot and a Multnomah County Motor Pool facility.

Resolution 04-167, adopted by the Board of County Commissioners on November 18, 2004, declared the Morrison Bridgehead Properties (Blocks 1, 2, 16, and 39 in SW Portland, "the Property") surplus, directed the Facilities and Property Management Division (FPM) to negotiate with the Portland Development Commission (PDC) for the sale of the property, and directed that the proceeds from the sale be deposited in the County's General Reserve

Fund and earmarked for use toward a downtown courthouse. Resolution 06-121, adopted by the Board of County Commissioners on June 29, 2006, directed the Facilities and Property Management Division (“Facilities”) to offer the Property for sale and to brief the Board regularly on sale progress. It further directed that all net proceeds from the sale of the property be deposited in the County’s General Reserve Fund and earmarked for use toward a downtown courthouse site. Resolution 07-174, adopted by the Board of County Commissioners on November 1, 2007, approved an Intergovernmental Agreement (“IGA”) with the Portland Development Commission (“PDC”) which provided for Multnomah County and PDC cooperation for the timely and appropriate sale and private redevelopment of the Property. The IGA further provided for specific responsibilities for Multnomah County and PDC on the solicitation and selection processes for a Request for Proposals for the Property (“RFP”) and the negotiation of a Disposition and Development Agreement (“DDA”) for eventual sale of the Property. Resolution 07-174 provided for alternative support for the Downtown Courthouse.

In November 2009, Multnomah County issued a Request for Interest (“RFI”) for acquisition and redevelopment of the Property. Multnomah County and PDC staff facilitated a Board Policy Discussion in April 2010 to present three RFI responses. There was direction to develop a formal RFP for the site with PDC in accordance with the IGA. Multnomah County and PDC Staff worked to develop a Draft RFP which was submitted for review by Board of County Commissioners staff and technical review by Multnomah County programs, including Bridge Operations, County Attorney, Facilities, Fiscal and Budget, Fleet, and Purchasing, with all County issues and concerns processed and addressed or underway. The RFP was agreed to in accordance with the IGA and issued in November 2010. (Exhibit 1.) The deadline for submissions was February 9, 2011. Two submissions were received for evaluation: 1. Gerding Edlen Development Company and Downtown Development Group; and, 2. Melvin Mark Development Company and the James Beard Public Market (“Melvin Mark Proposal”).

An Evaluation Committee was formed in accordance with the IGA. Membership included solicited nominations from Board of County Commissioners and evaluation sessions were convened in March 2011. The Evaluation Committee scored the RFP submittals independently using the detailed criteria in the RFP. The Evaluation Committee Report (Exhibit 2) scored the Melvin Mark Proposal highest.

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

The Melvin Mark RFP submission included a purchase price of \$10,025,000, payable upon a development schedule closing date 37 months after execution of a DDA. In addition to the purchase price, the economic impact of development was included in the RFP Evaluation Criteria, including property taxes, business income taxes, net economic activity impact, temporary construction job impact, and permanent job growth. Under county ownership, parking lot operations have generated \$395,000 to \$475,000 in net annual revenues to Multnomah County. During 3+ year development window prior to change in ownership, the county would continue to control the property, receive all parking revenue, and have ongoing responsibility for maintenance.

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

The Property RFP was done in full compliance with the IGA with PDC and is in accord with the prior Board declaration as "Surplus Property."

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

The RFP was developed in partnership with PDC, with technical support from the City of Portland's Bureau of Planning and Sustainability and TriMet. An Evaluation Committee composed of volunteers with expertise in finance, development and architecture reviewed and scored the proposals. County will work with PDC on DDA, provide periodic Board updates on DDA progress, and a final DDA will be subject to a full Board of County Commissioners Meeting Agenda Notice. There has been substantial media coverage of the Property and its future.

Required Signature

**Elected Official or
Department/
Agency Director:**

A handwritten signature in black ink, appearing to be 'Jeff S.', written over a horizontal line.

Date: 5/13/2011