



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 08/02/10)

Board Clerk Use Only

Meeting Date:	<u>6/14/12</u>
Agenda Item #:	<u>R.1</u>
Est. Start Time:	<u>9:30 am</u>
Date Submitted:	<u>6/6/12</u>

Agenda Title:	RESOLUTION Approving the Conveyance through a Disposition and Development Agreement of the Morrison Bridgehead Properties, Portland, Oregon, to Melvin Mark Development Company
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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>June 14, 2012</u>	Amount of Time Needed:	<u>30 minutes</u>
Department:	<u>Non Departmental</u>	Division:	<u>Chair's Office</u>
Contact(s):	<u>Warren Fish</u>		
Phone:	<u>503-988-5882</u>	Ext.	<u>85882</u>
Presenter Name(s) & Title(s):	<u>I/O Address: MS 503/6</u>		
	<u>Presenters: Warren Fish, Chair's Office; Ken Elliott, County Attorney's Office; Mike Sublett, FPM; and Invited Guests from Melvin Mark Development Co. & from James Beard Public Market Foundation</u>		

General Information

1. What action are you requesting from the Board?

Approve the conveyance through a Disposition and Development Agreement of the Morrison Bridgehead Properties, Portland, Oregon, to Melvin Mark Development Company.

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 acquired the Morrison Bridgehead Properties, i.e. Blocks 1, 2, 16, and 39, CITY OF PORTLAND; as more particularly described herein, ("the Property"), in the 1950's for staging, construction and operation of the third Morrison Bridge, its approaches and ramps. The property encompasses approximately three acres of land. Since the construction and the opening of the current Morrison Bridge in 1958, the areas outside of the Bridge Right of Way within the Property have been operated as a surface parking lot and a Multnomah County Motor Pool facility.

By Resolution 07-174, adopted by the Board of County Commissioners on November 1, 2007, approved an Intergovernmental Agreement ("IGA") with 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. 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 review by Multnomah County programs, including Bridge Services, County Attorney, Facilities, Fiscal and Budget, Fleet, and Purchasing. The RFP was agreed to in accordance with the IGA and issued in November 2010. Submissions in response to the RFP were due 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.

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 set out in the RFP. The Evaluation Committee scored the Melvin Mark Development Company and James Beard Public Market Proposal (“Proposal”) higher.

Resolution 2011-059, adopted by the Board of County Commissioners on May 26, 2011, authorized exclusive negotiations with the development entity for the Proposal. Resolution 2011-060, also adopted on May 26, 2011, directs the proceeds from disposition of the Property to help fund a new or remodeled downtown courthouse. the intersection of Waterfront Park and the downtown retail core, however, the current configuration does not provide adequate pedestrian. The enhanced connectivity central to the Proposal will improve public safety and will have a positive impact on surrounding parts of downtown Portland.

Public ownership of the Property has been property tax-exempt for over fifty years. The disposition and redevelopment of the properties as envisioned in the Proposal will generate significant annual property tax and business income tax revenues for local jurisdictions, including Multnomah County. The competitive Request for Proposals process that resulted in the Board’s selection of this proposal considered economic development and job creation; Minority, Women, and Emerging Small Business (M/W/ESB) contractor participation; and sustainability initiatives.

Maintenance of the Morrison Bridge and all associated ramps and access points will remain the responsibility of Multnomah County, and all bridge infrastructure including bridge elements, ramps, and setbacks around bridge and ramp infrastructure will be subject to a Right of Way reservation to preserve the County’s rights. In certain areas of the reserved Right of Way may be permitted for use by the development under the then applicable permit procedures.

The County and Melvin Mark have extensively negotiated over the past year and have produced the Agreement for Disposition and Development of the Morrison Bridgehead Property between Multnomah County and Melvin Mark Development Company (“the Agreement”).

The Agreement provides for a sale price of the Property of \$10,430,000 which equals the appraised value of the Property according to an independent appraisal dated March 1, 2011. An escrow deposit of \$100,000 from Melvin Mark is due into escrow within ten (10) days of the effective date of the Agreement. The Agreement provides for up to thirty-seven (37) months from the effective date to closing to facilitate fundraising for the James Beard Public Market. The Agreement further provides for semi-annual Board Briefings on the market development’s progress. The Agreement includes an escrow holdback of \$350,000 for environmental conditions at the Property, including insurance for unforeseen environmental conditions, remediation, and related costs.

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

By Resolution 2011-060, proceeds from the disposition of the Properties will be directed to a capital fund for remodel or replacement of the county’s downtown courthouse. After the Escrow Holdback and closing costs, the net proceeds should approximate \$10 million. There will be a reduction of

approximately \$400,000 per year in revenues generated from the three blocks operated as surface parking lots.

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

n/a.

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

There was substantial opportunity for public input throughout the RFI and RFP processes. In addition, City process including Design Review will afford additional opportunities for community involvement.

Required Signature

Elected Official or

Department/

Agency Director:

Marissa Madrigal /s/

Chief of Staff for Chair Jeff Cogen's Office

Date: 6/6/12