

# Department of County Assets (DCA) Property Dispositions

Presented by:

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Interim Director

September 18th, 2018



# Agenda

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- Update and overview of disposition process
  - Multnomah County Courthouse
  - McCoy Building
- Summary
- Questions



# Policy

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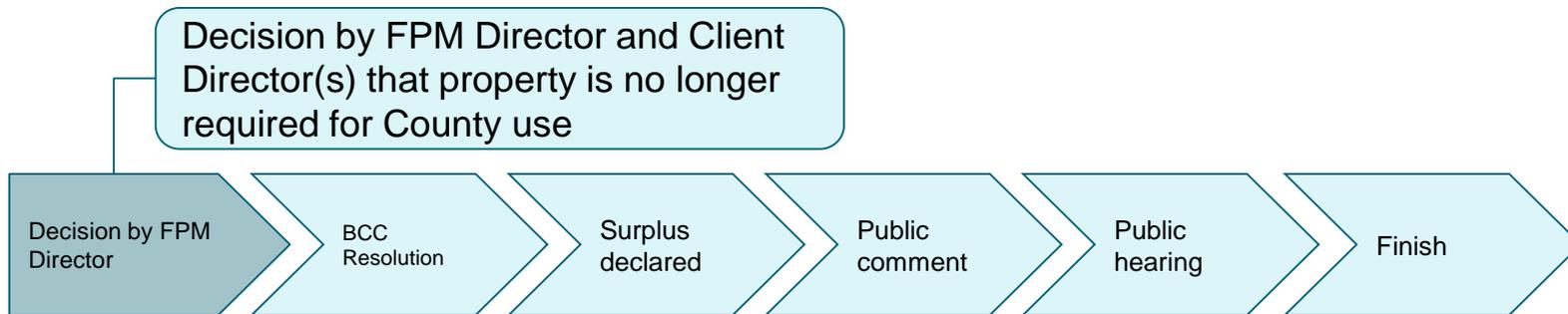
- **January 18th, 2018**
  - Resolution No. 2018-005 establishes a Policy on Declaring Real Property Surplus and Soliciting Public Comment; and Repealing Resolution No. 04-185.



# Facility Asset Strategic Plan

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- November 2017
  - Facilities and Property Management begin pre-marketing activities on both the Downtown Courthouse and the existing McCoy Building
  - Real estate team established
  - Blind sale process identified



# Multnomah County Courthouse Property

**Building:** Multnomah County Courthouse

**Address:** 1021 SW 4<sup>th</sup> Ave, Portland, OR 97204

**Gross Building Area:** 292,717 Square Feet

**Current Tenants:** Non-Departmental, District Attorney Office, Community Justice, Sheriff Office

The Multnomah County Courthouse was designed and built in 1909-1914 by Whidden and Lewis in a Neoclassical motif. The City of Portland listed the building as a Historic Landmark in 1970. The building achieved National Historic Landmark Registration in 1979. The Courthouse is operationally and functionally obsolete, with the majority of building systems exceeding their useful life.

## **FASP Conclusions:**

Low performer. Older facility containing 292,717 square feet. Historical Landmark and on the National Register. Well located but functionally obsolete. Major short and long term investments required.

## **Surplus Timeline**

BCC Approval: April 19th, 2018

Public Advertisement & Comment: April 20th to June 19th, 2018

## **Disposition Timeline**

Potential Disposition Options: discussions began in November 2017

Valuation Assessment: July 6th, 2018, ongoing

Pre-Disposition Plan: July 6th, 2018, with initial offers

Marketing Plan: May 9th to July 6th, 2018

Disposition: final disposition TBD



# Gladys McCoy Property

**Building:** Gladys McCoy Building

**Address:** 426 SW Stark St, Portland, OR 97204

**Gross Building Area:** 112,331 Square Feet

**Current Tenants:** Health Department

The McCoy Building, also known as the J.K. Gill building, is located at 426 SW Stark Street, Portland, Oregon. It was designed and built in 1922 and has ten floors.

## **FASP Conclusions:**

Low performer. Facility will become redundant upon completion of the new Health Department Headquarters.

## **Surplus Timeline**

BCC Approval: April 19th, 2018

Public Advertisement & Comment: April 20th to June 19th, 2018

## **Disposition Timeline**

Potential Disposition Options: discussions began in November 2017

Valuation Assessment: July 6th, 2018, ongoing

Pre-Disposition Plan: July 6th, 2018, with initial offers

Marketing Plan: May 9th to July 6th, 2018

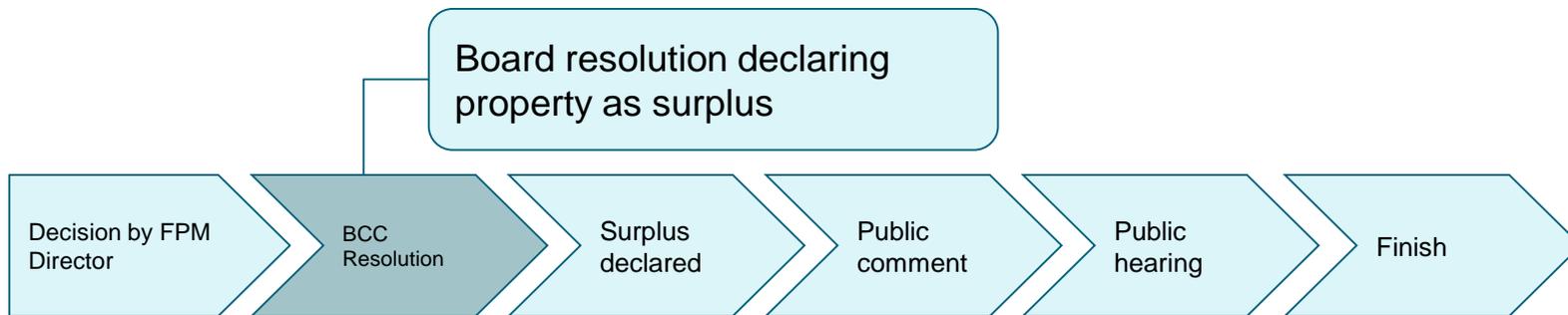
Disposition: final disposition TBD



# BCC Declares Surplus Property

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- April 19th, 2018
  - R.3 Resolution Declaring the Multnomah County Courthouse, Located at 1021 SW 4th Avenue, Portland, Surplus; and Establishing a Public Comment Period.
  - R.4 Resolution Declaring the McCoy Building, Located at 426 SW Stark St., Portland, as Surplus; and Establishing a Public Comment Period.



# Marketing - Courthouse

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- **May 9th, 2018**
  - **CBRE begins marketing efforts:**
    - Announced that the Courthouse is on the market via CBRE's online platform DealFlow to 6,649 prospects, providing 177 registered parties with an offering memorandum and website of the property
    - Open House held on May 8
    - CBRE scheduled property tours for every Monday evening for 8 weeks, showing parties the property and answering questions
- **July 6th, 2018**
  - Marketing efforts conclude, 9 offers received



# Marketing - McCoy Building

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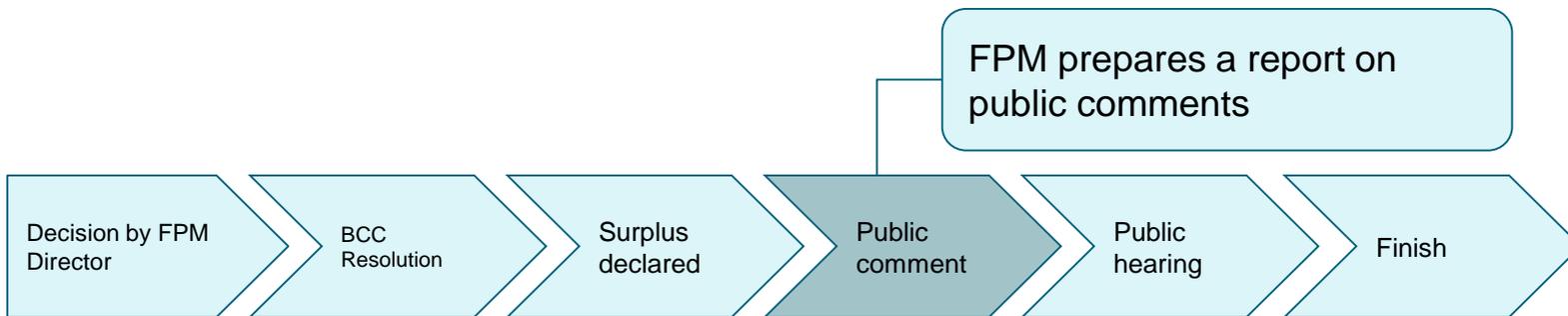
- **May 8th, 2018**
  - **CBRE begins marketing efforts:**
    - Announced that the McCoy Building is on the market via CBRE's online platform DealFlow to 6,803 prospects, providing 164 registered parties with an offering memorandum and website of the property
    - CBRE scheduled property tours for every Tuesday morning for 8 weeks, showing parties the property and answering questions
- **July 6th, 2018**
  - **Marketing efforts conclude, 8 offers received**



# Public Comments

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- **April 20, 2018**
  - County facilitates public comment period
  - Courthouse: 21 comments; support for preserving, replacing structure, affordable housing, office space
  - McCoy: 12 comments; support for preserving structure, affordable housing, community center
- **June 19, 2018**
  - Public comment period concludes



# Offers

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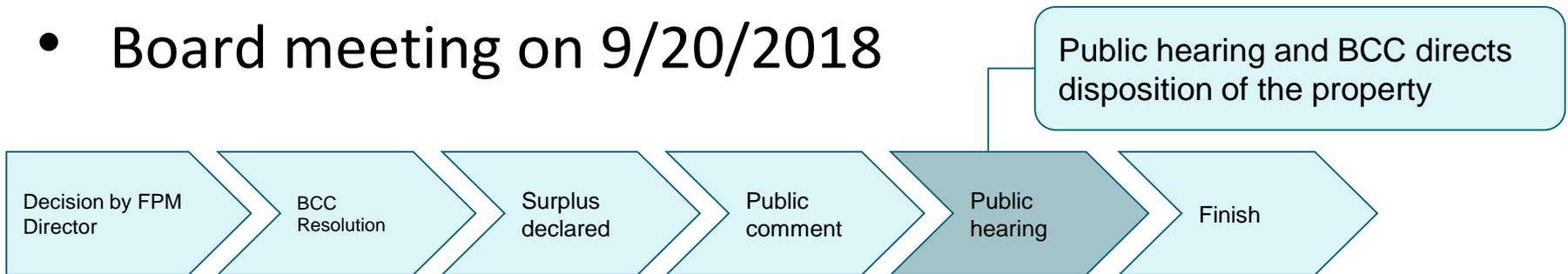
- Beginning on July 6th, 2018
  - CBRE facilitates offer process
  - Three rounds of offers



# Next Steps - Courthouse

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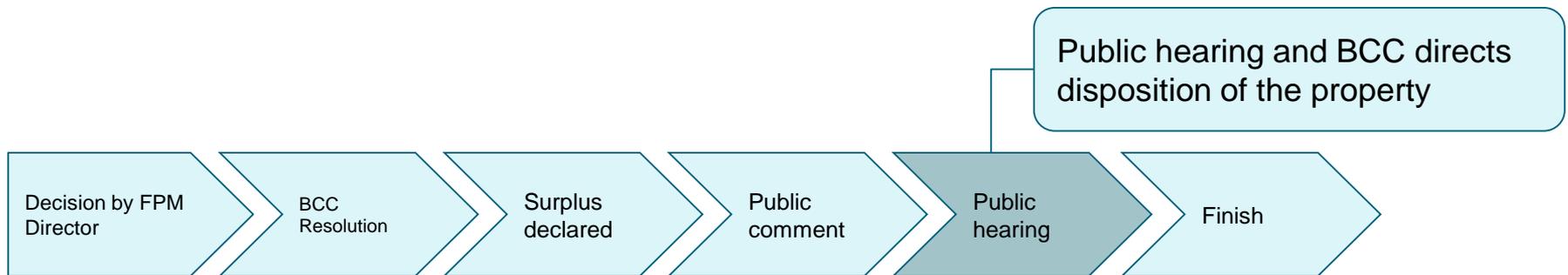
- Negotiations completed
- Purchase and Sale Agreement signed
  - Purchase price of \$28M to NBP Capital, LLC
  - 30 day due diligence, 30 days to close
- Lease Agreement
  - \$0 base rent for 24 months from closing date
  - Two two-month extension options; Triple-net lease
- Net proceeds
- Board meeting on 9/20/2018



# Next Steps - McCoy Building

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- Negotiations are ongoing
- Purchase and Sale Agreement to be created
- Lease Agreement
  - Expected at \$0 lease back costs
  - Planned move to new HDHQ in Spring 2019
- Net proceeds



# Questions

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