

J. Scott Andrews
Commissioner Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting record of the April 9, 2013, Portland Development Commission (PDC) Board of Commissioners (Board) Meeting held at 222 NW Fifth Ave., Portland, OR 97209. The full video recording of this meeting can be found at: <http://www.youtube.com/watch?v=WabcXzfO4T0>.

1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 8:03 a.m. Ms. Gina Wiedrick, Board recording secretary, called the Board roll:

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	PRESENT
Commissioner Charles Wilhoite	ABSENT [see note]

Chair Andrews stated that Commissioner Wilhoite is traveling but will try to call-in for the last item on the agenda.

2. Commissioner Reports

Chair Andrews

- Attended the various PDC and City Commissioner check-ins.
- Met with Carl Talton, Portland Family of Funds, and discussed a new financial product that may be helpful as a tool to assist businesses.
- On April 2, made second presentation to City Council on the PDC budget, still very much focused on general fund.
- Noted that the most recent fiscal quarter was one of the most robust in leasing for Melvin Mark Properties in his 35 years in commercial brokerage, which is a good sign of an improving economy.

Commissioner Dickson

- On April 3, spoke to City Council regarding the Neighborhood Prosperity Initiative (NPI) districts and their accomplishments of the past year.

Commissioner Mohlis

- Also met with Carl Talton to get an update on the Portland Family of Funds and hear about some of the ideas they are exploring.

3. Executive Director Report

- On April 2, along with Chair Andrews, attended the City Council budget work session and responded to questions they had from the February 20 work session.
- On April 3, attended the NPI districts presentation to City Council.
- April 4, was the deadline for Startup PDX Challenge; 235 applications were submitted from all over the country, all over Oregon, and from a variety of industries (software,

clean tech, athletic and outdoor, food technology, and robotics). Semifinalists will be notified on April 19 and winners will be announced on May 29.

- On February 4, Sea to Summit opened a west coast sales office in Portland.
- On March 21, Respect Your Universe moved its headquarters to Portland.
- On March 28, IslaBikes located their headquarters in Portland; PDC provided technical assistance and a Storefront Improvement Grant.
- On March 1, along with Mayor Charlie Hales, attended the Snow Peak grand opening.
- On April 4, participated as a judge at the University of Oregon's New Venture Championship.
- On April 9, after this Board meeting, along with Commissioner Wilhoite and PDC Deputy Director Kimberly Branam, will be traveling to participate in a Best Practices trip to Atlanta.
- On April 13, PDC is leading the We Build Green Cities Trade Mission to Japan; PDC staff Mitsu Yamazaki is participating and helped put together the agenda and the companies that are going.
- On April 16 – 17, along with PDC staff Jared Wiener, will travel with several Portland 100 businesses to Silicon Valley to meet with venture capitalists. The five entrepreneurs that PDC is taking are with Athlepath, Globesherpa, Opal Labs, Tellagence, and Vizify.
- PDC and partners continue to prepare for the May 14 Mayor's International Business Awards and Scholarship Dinner. For details go to <http://portland4biz.com/portland-international-business-awards>.
- Highlighted two promotions:
 - Chris Harder, named the new Business & Industry Division Manager; and
 - Melissa Nelson, promoted to Real Estate Loan Servicing Manager.
- Introduced Jonathan Wilkins, whom he is mentoring through the Portland Business Alliance's Leadership Mentoring Program.

4. Meeting Minutes

Chair Andrews called for a motion to approve the March 13, 2013, Board meeting minutes with the following amendment:

- Page 1, Item 2, Commissioner Reports, Chair Andrews' second bullet to read: "Attended several meetings regarding projects to provide direction."

Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis
NAYS: None
ABSTAIN: Straus

5. Public Comment for Items Not on Agenda

No public testimony was presented.

6. CONSENT AGENDA

A. Action Item: Authorizing the Execution of a Bargain and Sale Deed for the Disposition of 12 Real Properties to the City of Portland

With this action the Board will authorize the disposition of 12 active public park real property parcels from PDC to the City of Portland (City) Bureau of Parks and Recreation (PP&R) or other City bureau or bureaus designated by the City. Nine of the parcels are already part of both the Tom McCall Waterfront Park and the South Waterfront Park located within the Downtown Waterfront Urban Renewal Area (URA); two parcels comprise the whole of Portland Center Park, which is located on the vacated SW Second Avenue within the former South Auditorium URA at the south terminus of the pedestrian mall; and one parcel is located in Lower Macleay Park (the east entrance to Forest Park) which has never been in a URA.

All of these property parcels were initially acquired by PDC for the purpose of public park-related redevelopment projects. Upon completion of the park projects, the property parcels were not conveyed directly to the appropriate City bureau. PP&R has the exclusive jurisdiction and control of the Tom McCall Waterfront Park, South Waterfront Park, and Lower Macleay Park. The Portland Center Park has shared maintenance responsibilities between the City and the adjacent American Plaza Condominium Association. PDC has no further redevelopment plans and/or responsibilities for any of these parcels; they are not needed for any strategic purposes, are not marketable for disposition, and are only useful to the City of Portland. The parcels meet the public mission of PP&R, are managed, maintained and improved by PP&R, and for all intents and purposes are considered City assets.

This action will remove PDC as the legal owner of record for each parcel and will serve to address potential risk associated with legal ownership and control of these real properties.

Commissioner Straus stated that just as PDC is transferring properties to the City, perhaps it is time for the City to consider transferring their underutilized properties to PDC so that PDC can make investments in them and increase the value of these properties.

Chair Andrews called for a motion to approve Resolutions 6994 – 6997; Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

REGULAR AGENDA

7. Action Item: Authorizing a Predevelopment Loan with Centennial Mills Portland, LLC in an Amount Not to Exceed \$350,000 for Due Diligence and Schematic Design for Centennial Mills in the River District Urban Renewal Area

Commissioner Straus made the following statement: “I wish to declare a potential conflict of interested on this matter. As you know, I am president of Glumac. I noticed upon receiving the Board report that Glumac was listed as being on the project team for this project. As I am aware, we did have some discussions with Venerable Properties but we do not have any proposals or contracts. I have been advised by counsel that I can participate in the deliberation of this matter but I am going to abstain from voting on it.”

PDC staff presenting this item:

Mr. Lew Bowers, Central City Division Manager

Mr. Bruce Wood, Sr. Project/Program Coordinator

With this action the Board will authorize a predevelopment loan with Centennial Mills Portland, LLC, a limited liability company established by [Harsch Investment Properties, LLC](#) (Harsch), in an amount not to exceed \$350,000 to assist with due diligence and schematic designs for the proposed redevelopment of Centennial Mills, a PDC owned property located at 1362 NW Naito Parkway in the River District URA.

The proposed Harsch development program is consistent with the 2006 Centennial Mills Framework Plan, and furthers the 2009 Portland Economic Development Strategy by meeting a minimum of 75,000 square feet of space targeted to cluster industry and/or traded sector tenants. The program includes:

- Cluster Industry/Traded Sector Employment Uses: 80,000 square feet
- Retail: 71,000 square feet
- Arts-related: 36,000 square feet
- Multi-family residential: 42,000 square feet
- Parking: 295 spaces

The total budget to complete due diligence and schematic design is estimated at \$700,000 and Harsch will be matching this predevelopment loan dollar for dollar. Harsch will provide detailed scopes of work to PDC for approval prior to proceeding with work.

Commercial Property Redevelopment Loan guidelines require PDC Board review and approval for predevelopment loans over \$200,000.

Chair Andrews called forward Jordan Schnitzer, President of Harsch. Mr. Schnitzer stated that this is a challenging and exciting project but that he is reasonably confident that they will be able to reach the objectives of the project. He acknowledged that PDC has already put a lot of money into the project and added that it is important to get it right but also that it must be a project that gives value to the community. Mr. Schnitzer spoke passionately about the project and emphasized that this is a legacy project, an opportunity to showcase the original purpose of the site, and one that years later people can look at it with pride.

Chair Andrews thanked Mr. Schnitzer for attending and expressed admiration for his passion for the project and for the concept he has in mind. He went on to ask how the \$700,000 number was arrived at and where does he expect Harsch will be after that money is spent. Mr. Schnitzer responded that Harsch has gone through all of the studies and reports performed to date and their team has analyzed what they can and cannot do, what may or may not work, what needs to be done, and with what partners, and took that information and developed a budget.

Commissioner Straus had comments and asked the following questions:

- He has been involved in several San Francisco projects where there were cost overruns in the infrastructure in rebuilding wharf piers, and asked how the initial studies and work can prevent cost overruns. He also asked if Harsch believes that it is PDC's responsibility to restore infrastructure or is it a shared responsibility. Mr. Schnitzer responded that the more of the building(s) that the City wants to preserve for the public good, the greater that cost will be; the greenway and waterfront access issues is where there will need to be substantial public investment.
- Given that some of the buildings have significantly deteriorated, what does he see as the balance between demolition and renovation? Mr. Schnitzer responded that when they had first looked at the project they were fairly confident that they could maintain and preserve most of

the structures, but when they looked at it again six months ago they were dismayed by the deterioration of the past five years. He added that what they need to look at now is what parts of the project need to be rebuilt from scratch and what parts they can build upon and still make it cost effective.

Commissioner Dickson spoke in favor of Harsch's involvement in the project. Mr. Schnitzer responded that they are enthusiastic and are seeking input from all areas so that when they come back to PDC with a recommendation it will validate PDC's trust in Harsch.

Commissioner Mohlis stated that he hopes that when Harsch comes back to the Board they can say "we can do this and this is how" or be able to say that it just does not work out. He added that he does not want this to go on for another five years because with the continued deterioration it will make it harder to agree on and finance a project. Mr. Schnitzer responded that they will definitely come back with something that will work and hopes that the Board will see this investment as well spent.

Chair Andrews called forward Patricia Gardner, Pearl District Neighborhood Association, and Co-Chair of the River District URA. Ms. Gardner stated that she feels that the Board is jaded about the project, but she is hopeful about the project and would like to see that the Board remains open to the process. She spoke in favor of Mr. Schnitzer as the potential developer because of his passion and the input he is seeking from the community.

Commissioner Mohlis asked how long the site has been abandoned. Mr. Wood responded that PDC purchased it in 2000 and Centennial Mills had stopped operating shortly before that.

Mr. Bowers responded to a comment made by Commissioner Straus earlier regarding the wharf piers. Preliminary data revealed that the cost to repair the piers is between \$5 and \$6 million but that number will be adjusted depending on what type of repair is needed based on what is being built on top of them. Commissioner Straus stated that it would be great to prioritize the study to do the analysis of the piers and make sure that there is a solid foundation. In response to Ms. Gardner's comment, he added that the Board does share the passion for the site; it is just that PDC does not have \$50 million to invest in the infrastructure.

Chair Andrews called for a motion to approve Resolution 6998; Commissioner Dickson moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis
NAYS: None
ABSTAIN: Straus

8. Action Item: Authorizing the Executive Director to Execute a Leasehold Purchase and Sale Agreement with Station Hospitality, LLC for the Sale of a Leasehold Interest to Unimproved Real Property at Cascade Station in the Airport Way Urban Renewal Area at a Sale Price of Up to \$806,100

PDC staff presenting this item:
Mr. Bruce Allen, Sr. Business & Industry Manager

With this action the Board will authorize the Executive Director to execute a Leasehold Purchase and Sale Agreement (PSA) for the sale of PDC's leasehold interest in approximately two acres of land at Cascade Station in the Airport Way URA. The buyer is Station Hospitality, LLC (Buyer), whose partners are developers and owners of a number of hotels in the city. On this site at Cascade Station, Buyer will develop a hotel with between 85 to 110 rooms. The hotel brand will be from an approved list established by PDC and agreed to by the Buyer.

The PSA provides for the purchase price to be \$8.30 per square foot for a total of approximately \$723,100. The final size of the parcel to be sold may be adjusted by the Buyer by up to 10,000 square feet, in which case, the purchase price would be adjusted accordingly. If the full 10,000 square feet were to be added to the site, the purchase price would be approximately \$806,100.

Chair Andrews asked when the 99-year lease with the Port of Portland began. Mr. Allen responded that it started in 1999.

Chair Andrews called forward Arvind Patel, Manager of Station Hospitality, LLC. Mr. Patel made himself available for questions from the Board.

Chair Andrews brought up that the assessed value for the Airport Way URA when it was formed was less than \$200 million and last year it was assessed in excess of \$1.3 billion. Mr. Allen responded that significant infrastructure investments were key in creating 30,000 plus jobs.

Chair Andrews added that this is the third hotel project that PDC has dealt with in the past six months where land being transferred is at market value and this project is moving forward without further subsidy.

Commissioner Straus asked if there was any earnest money. Mr. Allen responded that \$75,000 goes hard after four months.

Mr. Patel stated that they have 10 hotels in their portfolio in addition to other investments outside of Oregon.

Commissioner Dickson asked why they selected Portland for the location of their hotel. Mr. Patel responded that they already have four hotels they operate at Portland International Airport and know the market and the occupancy numbers are climbing.

Chair Andrews called for a motion to approve Resolution 6999; Commissioner Straus moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

9. Information Item: Fiscal Year 2013-14 Budget Development Update and Stakeholder Testimony

PDC staff presenting this item:

Mr. Tony Barnes, Budget Officer

The April 9, 2013, PDC Board meeting provided an opportunity for the public, stakeholders, and Urban Renewal Advisory Committee (URAC) members to provide testimony on PDC's fiscal year (FY) 2013-14 Requested Budget. This was the final opportunity for the public to provide input on the budget prior to it being published and presented to Portland City Council on May 15, 2013.

Chair Andrews called forward guests to testify.

Sarah Heinicke, Executive Director of the [Lloyd EcoDistrict](#). Ms. Heinicke expressed appreciation and gratitude for the financial support to the EcoDistrict and urged the Board to continue support through the budget line item in the Oregon Convention Center URA. Also see letter attached at the end of these minutes as part of Attachment 1.

Jonath Colón, Business Development Coordinator of the [Hispanic Metropolitan Chamber](#). Mr. Colón spoke on behalf of the Neighborhood Economic Development (NED) Leadership Group saying how PDC's work in the communities through the NED Strategy has received a lot of positive praise, has created momentum and partnerships, and is having a big impact in the communities. He added that PDC needs to continue this momentum.

Wade Lange, General Manager of [American Assets Trust](#) and President of the [Lloyd EcoDistrict](#). Mr. Lange thanked the Board for past support of the EcoDistrict and urged them to continue the support and partnership for this venture.

John Notis, Chair of the Lents URAC. Mr. Notis stated that the Lents URAC's primary goal is maintaining momentum. He added that residents are excited about the streetscape work being done around the Lents Town Center and is helping to overcome the endemic cynicism. The URAC would like to see temporary use of the PDC-owned properties that are in the Town Center area; these ideas are outlined in their letter. Mr. Notis also spoke of the need for sidewalks along Ellis Street between SE 83rd and SE 92nd Avenues.

Rose Mary Colorafi, member of the Lents Neighborhood Association. Ms. Colorafi spoke of the urgent need for sidewalks along Ellis Street.

Chair Andrews stated that he visits the Lents URA and is excited about the work being done there and that he drove down Ellis and was amazed at the amount of foot traffic. He added that it is not on PDC's top priority list but hopes that PDC could work with the Portland Bureau of Transportation (PBOT) and leverage something to do this work.

Executive Director Quinton stated that Ellis Street improvements is not in PDC's five-year budget forecast but added that PDC staff can talk to PBOT and see if they can move it up the priority chain. He added that moving this up would have an effect on the other PBOT project priorities, but if this is what the community is saying is a priority then it is worthwhile to look into.

Mr. Notis added that he would hate to see other projects, like the Lower Foster Streetscape, be put off as both projects are equally important.

Patrick Gortmaker, Co-Chair of River District URAC and on the board of the newly formed Old Told Chinatown Community Association. Mr. Gortmaker stated that the Centennial Mills and Post Office projects are still top priority. He added that Old Town/Chinatown needs a win, especially in the area

around the intersection of Burnside and Fourth Avenue, saying that businesses opened there in the hopes that other developments, like the Grove Hotel, would benefit them and the whole neighborhood. Mr. Gortmaker also made a pitch for parking and signals needed for safety and for access to the district as another high priority, and for PDC to remain flexible and not miss any opportunities for the district if a potential project does not fit into the cluster strategy. Lastly, he asked that PDC sell off the properties on Third and Oak and Third and Taylor.

Chair Andrews stated that at the last Portland City Council budget work session PDC was asked to update the City Council on the Centennial Mills and Post Office projects. He urged guests to seek appointments with each City commissioner and give them a sense of how important these projects are to the community.

The Board also received last-minute letters from the Interstate URAC and the Lloyd Executive Partnership; these are attached at the end of these minutes as part of Attachment 1.

10. Action Item: Approving Reduction in Force; Public Hearing on Budget Amendment No. 2; Adopting Budget Amendment No. 2 for the Fiscal Year beginning July 1, 2012, and ending June 30, 2013; and Making Appropriations

At approximately 9:47 a.m. Chair Andrews called for a five-minute break for staff to connect with Commissioner Wilhoite by phone. At approximately 9:53 a.m. Chair Andrews called the meeting back to order; Commissioner Wilhoite was unable to join in.

PDC staff presenting this item:
Patrick Quinton, Executive Director
Mr. Tony Barnes, Budget Officer

With this action, under Resolution 7000, the Board will formally authorize a reduction in force in two phases. The first phase includes a reduction of 14 positions between FY 2012-13 and FY 2013-14 based on existing vacancies and planned vacancies achieved through the Early Retirement Incentive Program. Nine positions will be eliminated in FY 2012-13 and an additional five vacancies created through the Early Retirement Incentive Program will be eliminated in FY 2013-14. The second phase will include a reduction in force of approximately 26 additional positions to implement a total reduction in personnel services of 30 percent, as originally directed during the FY 2012-13 budget development process.

With this action, under Resolution 7001, the Board will amend the FY 2012-13 Revised PDC Budget in the following ways:

- (1) Adjust project and program budgets based on updated information regarding project timing and need;
- (2) Adjust Housing Set Aside / Portland Housing Bureau Intergovernmental Agreement requirements based on project timing;
- (3) Reduce personnel services based on the current year savings related to the first phase of the reduction in force;
- (4) Reduce administrative materials and services based on forecast year-end expenditures and planned reductions in materials and services spending; and
- (5) Approve establishment of one new fund, the Business Management Fund.

The proposed FY 2012-13 Budget Amendment No. 2 will increase the total PDC budget from \$258,117,73 in the FY 2012-13 Revised Budget to \$258,831,852 including Transfers, Contingency, and Reserves. Excluding Transfers and Contingency, total budgeted expenditures decrease from \$181,115,016 to \$125,304,002.

Chair Andrews thanked Executive Director Quinton and staff for the time and effort put into this and added that it is hard when people lose their jobs, but PDC must be good stewards of public funds. Executive Director Quinton added that it is his intent that this is the last reduction in force for the foreseeable future, it is the last painful step to be at a stable point it needs to continue with the work, and the next challenge is to make it work.

Robert Smith, President of Local 3769 American Federation of State, County and Municipal Employees (AFSCME). Mr. Smith stated that this is a very difficult time for the employees and the worst that could happen is to degenerate into conversations about whether this is right or wrong because it will not allow for the open dialogue that is needed for this process. He added that there is a shared interest to retain institutional knowledge and experience to ensure that PDC can still effectively carry out its mission. Mr. Smith stated that as PDC moves forward AFSCME would like to engage the agency in exploring ways of how PDC can retain and attract talented staff.

Chair Andrews called for a motion to approve Resolutions 7000 and 7001; Commissioner Straus moved and Commissioner Mohlis seconded the motion.

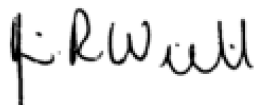
AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

11. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 10:20 a.m.

Approved by Portland Development Commission on May 8, 2013



Gina Wiedrick, Recording Secretary

INTERSTATE CORRIDOR

Urban Renewal Area

April 9, 2013

To members of the PDC Board:

As you convene over the coming months to create a Proposed Budget for FY 2013-14, please consider the following input from the Interstate URAC when setting priorities and determining outcomes from your investments.

Interstate has been an urban renewal area since 2001. It is Portland's largest and among the most diverse URAs. These characteristics make it difficult to limit our ambitions to only a handful of priorities. Overall, while the initial \$30 million investment in light rail has increased access and provided a connectedness to the rest of the city, the promise of redevelopment to follow along the Interstate spine has not yet been realized. Many of our near term priorities below represent our hopes to leverage light rail and the need to increase development density and more active uses in some important commercial corridors throughout our 3,500+ acre URA.

For the remainder of FY2012-13 and over the course of FY2013-14 we would like to see PDC projects and programs make progress on the following:

- Completion of the GEM List remains at or near the top of our list. We realize some of the GEM list projects require an investment of staff time from bureaus such as PBOT and Parks, and in some cases agencies such as Metro and TriMet. We urge collaboration across the public sectors to make sure the GEM list is completed. Within the list some specific investments were called out at our URAC meeting on November 19th:
 - Maintain \$1.5 million for the Bridgeton Trail project. This requires a land acquisition by Metro, if acquisition does not proceed, keep the dollars in Parks projects.
 - Maintain the \$50,000 per year for Small Parks Projects through 202013-2014. Carry over resources from one year to the next if they are not encumbered.
 - Generate momentum on the TriMet owned Argyle/Interstate parcel in the Kenton neighborhood.

- We appreciate PDC's concentrated focus on commercial corridors. Interstate has many such corridors, possibly more than PDC has staff resources to address. Our hope is that PDC pay particular attention to three of them: Interstate, Lombard and Kenton.
 - Interstate: This is our most visible and iconic corridor, yet it has not developed with the consistency or concentration as pre-light rail studies initially envisioned. The URA made a \$30 million investment in light rail with the promise of a thriving Interstate Corridor. Yet there are too many vacant storefronts, too many abandoned and blighted parcels, and too many gaps between quality buildings along Interstate.

Interstate URAC Budget Narrative/Page 2

We would like PDC to encourage development and reinvestment by property owners particularly Interstate Lanes, land south of the Nitehawk, properties near the Lombard station, and the City of Roses motel site as well as the previously mentioned Argyle/Interstate parcel. Collectively, our goal is for Interstate to develop an identity that attracts investment and stabilizes the corridor from north to south. Citizens in the district gave much thought, energy and time developing plans that specified unique development opportunities at each of the light rail stations. In addition, citizens spent a year and a half working with the Planning Bureau on a rezoning process along Interstate to stimulate growth and justify investment in the light rail line.

- Lombard: There are multiple nodes on Lombard which need the focus of PDC and your partners. From I-5 to Peninsular there are a series of commercial pockets that would be viable for PDC to use your storefront program to upgrade the facades. In addition a study should be conducted to determine how best to link these properties and strengthen its role as a commercial corridor.
- Kenton: The north end of downtown Kenton is an important main street for the area. The master planning of the PDC's recent purchase of the Nelson property is an important initiative we'd like to see occur in 2013-14. There are also many vacant and underutilized properties and many absentee landlords in the Kenton area and we would like to encourage staff to continue to call up on these property owners and landlords to keep them aware of PDC programs and opportunities for improvement. While having shown significant improvement, this area is still in need of support to become the main street that has been the goal of countless volunteer hours and business owner investments.

Our overall vision is that the Interstate URA becomes known as a thriving area of the city defined by dense and steady development along the light rail line with well-tenanted buildings and low residential vacancy rates. We'd like to see attention paid to increasing the number of active businesses within the smaller business districts and momentum begin to grow as PDC informs and encourages the larger landowners to put their property into more productive use. We realize this cannot all be completed in the next 12-18 months; yet we are hopeful further momentum can be gained and sustained through your 2013-14 Proposed Budget.

We encourage PDC to be visionary in the approach to addressing these areas rather than focusing on low hanging fruit. It is paramount that PDC's efforts be creative to discover the opportunities that may not be obvious on the outset and we look forward to continuing the dialogue on how to best serve the growth of this community.

Interstate URAC Budget Narrative/Page 3

Interstate URA Subcommittees

The ICURAC was made aware at our last meeting (March 18, 2013) that subcommittees related to Transportation, Parks, and Economic Development have not met for more than a year and that there is no plan to schedule any future meetings for any subcommittees. This raised significant concern for the ICURAC on two fronts:

First, and foremost, previous discussions related to term limits (which did not exist when the ICURAC was formed) for committee members had included assurances that active community members and stakeholders within the ICURA would be able to stay involved after their terms expired through these subcommittees. The loss of said subcommittees would infer a loss of connection to these valued individuals.

Second, these subcommittees (made up of ICURAC members and community advocates at large) had previously served as the forum for detailed conversation related to specific portions of the ICURA goals. They were the primary source of generating ideas and analyzing priorities for each of these focuses to develop ICURAC advice to inform PDC staffing and budget priorities. As well, they were the correct platform for receiving public input with a particular focus and detailed discussion. They would then bring recommendations to the ICURAC at our quarterly meetings for final discussion.

The loss of staff time to support these subcommittees is seen as a detriment to the potential effectiveness of the ICURAC as a whole. We recommend reconvening each of these committees for a detailed discussion of needs establish how best to move forward. In addition we recommend including a representative from each bureau involved in each respective meeting to help inform what will be most effective and evaluate how best to move forward.

PDC is currently the only conduit for community outreach within the ICURA that can address all aspects of economic and livability issues related to urban renewal holistically. The goals determined when the ICURA was established can only be realized if sufficient staff involvement and community outreach is reinstated and PDC continues to carry the effort forward as a development leader.

Thank you for your time,

Chris Duffy, Interstate URAC Chair

Steve Rupert, Interstate URAC Co-Chair



April 9, 2013

Chair Scott Andrews
Portland Development Commission
222 NW 5th Ave.
Portland, OR 97209

RE: FY 2013-14 OCCURA budget priorities

Dear Chair Andrews,

The Lloyd EcoDistrict Board has reviewed the PDC budget line item in support of implementing Lloyd EcoDistrict activities and deeply appreciates the Commission's support of our activities. We are confident that we can find many projects that align with our EcoDistrict Roadmap, as well as the Commission's core mission and values. We are excited about leveraging these resources toward projects in energy efficiency, clean tech job creation, as well as helping to meet important City climate change and sustainability policies.

We have moved quickly from planning and organizing to implementation. In the Lloyd EcoDistrict we are embarking on some major projects: **strategic energy management** for major energy users, a **competitive energy efficiency initiative** among commercial building owners, a pilot **PACE lending initiative** to fund "off balance sheet" energy efficiency improvements, a grassroots program to help smaller businesses coordinate **energy, waste, and water efficiency improvements with good design**. We are also embarking on a **zero-waste strategy** with partners from Portland State University, Bureau of Planning and Sustainability and Metro.

All of these projects require the majority of investment and leadership by the private sector, and we are doing just that in the Lloyd EcoDistrict. At the same time, PDC is a significant stakeholder in making these projects work, we look forward to working with staff to coordinate our collective efforts and focus on how City policies can align with the private sector to ensure the Lloyd EcoDistrict is successful.

We hope you will maintain the current earmarks in the existing OCC URA budget for the Lloyd EcoDistrict and support the most strategic investments possible. As all the bonds have already been sold to maximize project funding for the OCC URA, it's critical that the final expenditures

are focused on projects/initiatives with strong private sector involvement and the ability to leverage the public resources already invested.

The Lloyd EcoDistrict Board, comprised of public and private sector partners, has identified long-term investments needed to support a broad, district-wide sustainability strategy, in addition to its initial projects (see attached Roadmap.) The Board supports the four-year earmark (\$1,680,000 for 2012-13 and \$1,680,000 for 2014-15 respectively) for EcoDistrict projects that are approved by the Lloyd EcoDistrict Board. Due to the short timeframe for this fiscal year, we request that the current earmark in 2012-13 be carried over into subsequent years.

The Lloyd EcoDistrict Board is grateful the Commission's continued leadership within the Lloyd EcoDistrict, and we look forward to working with the Commission to achieve these important Lloyd District initiatives together.

Sincerely,


Wade Lange

President, Lloyd EcoDistrict


Sarah Heinicke

Executive Director, Lloyd EcoDistrict

Lloyd Executive Partnership

Anita Decker

*Bonneville Power
Administration*

April 8, 2013

Scott Andrews, Chair
Portland Development Commission
222 NW Fifth Ave.
Portland, OR 97209

Pat Egan

Pacific Power

Daniel J. Field

Kaiser Permanente

Ken Koehler

Liberty Northwest

Scott Langley

*Langley Investment
Properties*

Dear Chair Andrews and Portland Development Commission Members:

The Lloyd Executive Partnership (LEP) appreciates the opportunity to comment on the OCC URA budget for 2013-2014. As all the bonds have already been sold to maximize project funding for the OCC URA, it's critical that the final expenditures are focused on projects/initiatives with strong private sector involvement and the ability to leverage the public resources already invested.

The LEP continues to prioritize four catalytic initiatives: **Lloyd EcoDistrict projects; Veterans Memorial Coliseum (VMC) upgrades; the convention center hotel; and private development that leverages the streetcar investments.**

The **Lloyd EcoDistrict** is a priority for the LEP and we are excited about leveraging this effort for job and housing creation. The Lloyd EcoDistrict Board, comprised of public and private sector partners, has identified long-term investments needed to support a broad, district-wide sustainability strategy, in addition to its initial projects (see attached action plan.) The LEP supports the \$3.36 million earmark for EcoDistrict projects in the five-year projection, and we hope that the Commission will look to the Lloyd EcoDistrict Board as a partner in identifying projects that are ready for funding.

The LEP supports the earmarks for **upgrades to the VMC**, an important publically-owned facility in the Lloyd District. Although we realize there are some challenging issues involved, we support this project moving forward as quickly as possible. We also support the Rose Quarter/OCC district energy pilot project, which will not only build on the green sports facility achievements at the Rose Quarter, but may reduce VMC project expenses. Should this investment occur, the LEP supports directing these savings to additional VMC upgrades.

The LEP supports the modest \$4 million URA funding earmarked for the proposed privately owned and operated **convention center hotel**. The hotel is the most direct and impactful way to grow the attractiveness of the OCC as a convention destination regionally and nationally. The LEP encourages the PDC to work with City Council, Metro and Multnomah County leaders to determine the public resources available to move this project toward an agreement that will produce a 500 room-block hotel by 2014.

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We also believe the **Lloyd Development** earmark in the OCC URA budget will leverage private residential and commercial development along the streetcar line, so both public and private partners can maximize the benefits of the streetcar infrastructure investments, such as the 200 Broadway project. It will also tie into the Lloyd EcoDistrict efforts. The Lloyd Superblock certainly epitomizes this type of project (along light rail and streetcar lines, significant housing investments and LEED platinum design,) and we expect to see more development along the streetcar spine, from the Broadway Bridgehead to NE 7th Avenue.

The LEP appreciates your leadership in creating a framework for the EcoDistricts to thrive, and we look forward to working with the City Council to achieve these important Lloyd District initiatives.

Sincerely,



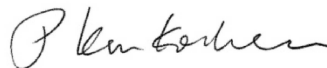
Scott Langley, President & CEO
Langley Investment Properties



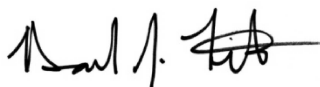
Anita Decker, Chief Operating Officer
Bonneville Power Administration



Pat Egan, Vice President, Customer and
Community Affairs
Pacific Power



Ken Koehler, President
Liberty Northwest



Daniel J. Field, Director of External Affairs
Kaiser Permanente, Northwest Region

Attachment

cc: Patrick Quinton, PDC
Lew Bowers
Peter Englander, PDC
Irene Bowers, PDC
Keith Witcosky, PDC