

Tom Kelly
Chair

Gustavo J. Cruz, Jr.
Commissioner

Aneshka Dickson
Commissioner

Mark Edlen
Commissioner

William Myers
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting record of the December 16, 2015, 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 <https://www.youtube.com/watch?v=ZomQZBJuL7Q>.

1. Call to Order and Roll Call

Chair Tom Kelly called the meeting to order at approximately 3:06 p.m. Ms. Gina Wiedrick, PDC Board recording secretary, called the PDC Board roll:

Chair Tom Kelly	PRESENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Aneshka Dickson	ABSENT
Commissioner Mark Edlen	PRESENT
Commissioner William Myers	PRESENT

2. Commissioner Reports

Commissioner Edlen

- On November 12, attended the third PDC Financial Sustainability Committee (FSC) meeting.
- This morning, attended the fourth PDC FSC meeting.
- On November 18, attended the Caldera Portland Stories of Change event.
- On December 9, attended the PDC Board Retreat.
- On November 19, attended the Oregon Health & Science University (OHSU) Vision 2020 Luncheon.
- On December 15, attended the OHSU Foundation Dinner.
- On December 10, attended the Portland Housing Bureau and Bureau of Planning & Sustainability Affordable Housing Roundtable.

Chair Kelly

- Attended various PDC check-ins with Mayor Charlie Hales.
- On November 12, attended the third PDC FSC meeting.
- This morning, attended the fourth PDC FSC meeting.

3. Executive Director Report

- On December 19, Chair Kelly will be one of the guest speakers at the June Key Delta Center event honoring the late Chris Poole Jones.
- On December 15, PDC announced the six winners of the 2015 Startup PDX Challenge: [roberts](#), [audibility](#), [Royalty Sprints](#), [Morebots, LLC](#), [Shop Hopppn'](#), and [Poda Foods](#). The People's Choice Award went to [Tanglewood Beverage Company](#). The *Portland Business Journal* and the *Portland Tribune* had articles on these companies; for full articles go to <http://www.bizjournals.com/portland/blog/techflash/2015/12/custom-suits-cricket-farming-and-interactive-books.html> and <http://portlandtribune.com/pt/239-business/285313-161171-startup-pdx-challenge-winners-mix-luxury-with-pragmatism>.

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- On December 2, Startup PDX Challenge 2013 winner [ONtheGO Platforms, Inc.](#), announced that they were acquired by a San Francisco company, but will remain operating in Portland.
- On December 2, Startup PDX Challenge 2014 winner [Noappfee.com](#)'s Tyrone Poole put out an advertisement video. For full video go to <https://www.youtube.com/watch?v=4Dq7ZivtJxQ&app=desktop>.
- On December 9, PDC partnered with PIE to be the local hosts of the 1776 Challenge Cup event at the Oregon Museum of Science & Industry. The three winning companies will go on to San Francisco to represent Portland; two of those companies are former Startup PDX Challenge winners.
- BankSimple, which had been acquired by a Spanish bank in 2014, announced that it will be moving its Portland headquarters to the Central Eastside in mid-2016.
- On December 11, Adidas announced that while they have added significantly to the local workforce it has plans for more by expanding its Portland campus.
- On November 19, attended the ZoiglHaus Brewing Company official grand opening.
- On December 15, attended a Portland Mercado celebration.
- Encouraged everyone to shop local: [Venture Portland](#) has information on the 50+ neighborhood districts and locally-owned businesses; [Little Boxes](#) is Portland's indie and local shopping scene; the pop-up shops at 438 NW Broadway: [Stubborn Stiles](#), [Folk](#), and [Draplin Design Co.](#); and pop-up shop Omiyage at 341 NW 5th Avenue.
- On December 1, Linda Weston announced that she will be retiring from the Oregon Entrepreneurs Network.
- Portland is a city of champions; on December 6 the Portland Timbers won the 2015 Major League Soccer Cup.
- Introduced one new employee:
 - Diana Bartolotta, Paralegal in the Legal Department.

4. Meeting Minutes

Chair Kelly called for a motion to approve the September 9, 2015, PDC Board meeting minutes. Commissioner Myers moved and Commissioner Cruz seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers
NAYS: None

5. Public Comment for Items Not on Agenda

Mark Kramer, Attorney at Law at [Kramer & Associates](#) representing Right 2 Dream Too. Mr. Kramer gave an overview of the letters included in these minutes as Attachment 1.

REGULAR AGENDA

6. Action Item: Resolution 7156 – Resolution of Commendation and Appreciation to Gale Castillo for Distinguished Service and Outstanding Dedication to the Portland Development Commission and the City of Portland

PDC staff presenting this item:
Patrick Quinton, Executive Director

Ms. Castillo served on the PDC Board for approximately four years, and has been the president of the Hispanic Metropolitan Chamber (HMCC) for a long time; she has been a great partner for PDC and the Latino community.

Commissioner Cruz spoke as the chair of the HMCC board; has worked extensively with Ms. Castillo; and described her as one of the finest people he knows, one of the best nonprofit organization managers he has ever worked with, and is irreplaceable.

Chair Kelly called forward former PDC Board member Bertha Ferrán. Ms. Ferrán thanked Ms. Castillo for all of the years she dedicated helping in the advancement of the Latino community.

Ms. Castillo thanked the PDC Board for the time and recognition of her work and stated that it has been a pleasure serving as a PDC Board member and to work at the HMCC. She noted that the public may not fully appreciate all of the work involved in running a nonprofit organization, raising funds to complete the work, and the relationship building with partners. Ms. Castillo thanked PDC, the PDC Board, and PDC staff for their work and support stating that without the support of the members and partners, the HMCC cannot do its work.

Chair Kelly called for a motion to approve Resolution 7156; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers
NAYS: None

7. Action Item: Resolution 7157 – Authorizing Terms for the Acquisition of a Building Located at 1506 NE 2nd Avenue in the Oregon Convention Center Urban Renewal Area

PDC staff presenting this item:
Bruce Wood, Real Estate & Construction Manager

With this action, the PDC Board will authorize the terms for the leasehold purchase and sale agreement with Shilo Inn Rose Garden, LLC, for a building located at 1506 NE 2nd Avenue (Building) in the Oregon Convention Center Urban Renewal Area (URA) for an amount not to exceed \$2,832,500. The Building is currently operated as a Shilo Inn Hotel and is located on property owned by Holy Rosary Church.

Chair Kelly called for a motion to approve Resolution 7156; Commissioner Edlen moved and Commissioner Cruz seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers
NAYS: None

8. Action Item: Resolution 7158 – Authorizing the Ninth Amendment to the Development Agreement for Pioneer Place in the Downtown Waterfront Urban Renewal Area

PDC staff presenting this item:
Faye Brown, Chief Financial Officer
Sarah Harpole, Senior Project/Program Coordinator

With this action, the PDC Board will authorize the Ninth Amendment to the 1987 Amended and Restated Agreement for the Sale and Redevelopment of Land in the Downtown URA, known as the Pioneer Place Project. If approved, the amendment would release General Growth Properties (GGP) from their remaining obligations to pay defined Participation Payments, in exchange for a cash payment of \$12,500,000 to PDC (Termination Payment). The Termination Payment represents a final milestone in an agreement which helped spur and anchor the development of downtown Portland's retail and office core.

Chair Kelly called forward guests to testify.

Bob Buchanan, Senior General Manager of [Pioneer Place](#) and [Pioneer Tower](#). Mr. Buchanan expressed thanks for the work of PDC staff and the way this project has been handled and the assistance received in navigating through the process. He gave a history of Pioneer Place and its impact in the downtown area, the GGP staff involvement in the community and public process, and GGP's commitment to the city of Portland.

Chair Kelly called for a motion to approve Resolution 7158; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers

NAYS: None

At approximately 3:53 p.m. Chair Kelly called for a break. At approximately 3:59 p.m. Chair Kelly called the meeting to order.

9. Action Item: Resolution 7159 – Authorizing a Voluntary Early Retirement Incentive Program

PDC staff presenting this item:

Jeff Fish, Human Resources Director

With this action, the PDC Board will authorize the implementation of a voluntary Early Retirement Incentive Program (ERIP). If approved, the ERIP would offer eligible employees a financial incentive to retire from PDC and allow PDC to realize long-term cost savings.

Commissioned Edlen asked the following questions:

- Is this in response to the reallocation of tax increment financing funds for affordable housing and the increase in Public Employees Retirement System payments? Mr. Fish responded yes, those are additional costs or cuts in revenue that were not foreseen.
- And this requires the reduction of 20 PDC staff over the next 10 years? Mr. Fish responded that this is a guess, but on average that is the estimate PDC staff has on the necessary cost savings for a sustainable agency into the long term.
- PDC staff will have to do more with less. Mr. Fish responded yes, and added that management realizes that this will require restructuring team individual work plans within PDC.

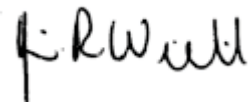
Chair Kelly called for a motion to approve Resolution 7159; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Myers
NAYS: None

10. Adjourn

There being no further business, Chair Kelly adjourned the PDC Board meeting at approximately 4:04 p.m.

Approved by the Portland Development Commission on April 20, 2016



Gina Wiedrick, Recording Secretary

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November 19, 2015

*Via Fax No. 503.823.3368 and
Email: quintonP@PDC.us*

Patrick Quinton
Executive Director
Portland Development Commission
222 NW 5th Ave.
Portland, OR 97207

Re: Relocation of Right 2 Dream Too from 4th and Burnside

Dear Mr. Quinton:

I represent both Right 2 Dream Too (R2DToo) and the owners of the 4th and Burnside lot which is subject to your Purchase and Sale Agreement of October 7, 2014. Pursuant to paragraph 6.2 of said Agreement, the deal cannot close until (among other things) R2DToo vacates the property, and the deadline is 24 months from the effective date of that Agreement, or October 2016.

As you know, the City of Portland has purchased a site (Goodwill) in the vicinity of SE 3rd and Harrison for R2DToo's relocation. I have been negotiating with the City for several months and we are now close to a final "Use Agreement." Deputy City Attorney Linda Law and I are working on a final draft of said Agreement, and hope to present it to the R2DToo Board and the City within the next week, and I hope and expect that the Right 2 Dream Too Board will approve the Use Agreement on or before November 30, 2015. The approval of the Use Agreement, however, will be understood to be contingent upon Right 2 Dream Too relocating to the new site when it is "site ready." Based upon the various requirements that need to be addressed before the relocation, it is not expected that the site will be "site ready" until mid-Spring, and it is hoped that the actual relocation will occur by July 1, 2016.

While this timeline is well within the terms of the Purchase and Sale Agreement, it is unfortunately far beyond the preferences and expectations of the owners of the lot who, individually and collectively, wish to close the deal, receive their monies, and move on with their lives. In particular, one of the owners is seriously ill and may not survive very long.

I have raised this issue with Commissioner Fritz and the Mayor's Office and I know that you are aware of the problem. In short, the owners are seeking to have R2DToo vacate the property by the end of the year, and R2DToo will not be ready to relocate until mid- or late Spring 2016.

Patrick Quinton
November 18, 2015
Page 2

There is an easy solution to this problem. Specifically, on behalf of both R2DToo and the owners, we ask PDC to close the deal with the owners and negotiate a separate agreement with R2DToo which will continue their present occupancy of the 4th and Burnside site while the new site is being readied for relocation. Relevant terms of the draft use agreement between the City and R2DToo can serve as a template for the interim agreement between R2DToo and the PDC during the six months or so it will take to make the site ready for relocation and then for the actual relocation to occur.

Given the current crisis of houselessness in the City of Portland, no one, particularly the PDC, would want the current R2DToo area (providing a safe place for 50+ houseless persons each night) to be closed, and for the houselessness crisis to be made even worse.

Because of the direction of the owners that R2DToo relocate by the end of the year, time is of the essence. Please confirm receipt of this letter and your timetable for reply. I understand that Josh Alpert, the Mayor's Chief of Staff, is already working on a meeting for the relevant parties to discuss, and hopefully resolve, this issue. I trust that can happen soon.

Sincerely,

KRAMER & ASSOCIATES

Mark Kramer

Mark Kramer
Attorney at Law

MKK:klk
cc: R2DToo
Josh Alpert
Commissioner Fritz

Attorneys
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December 4, 2015

Mayor Charles Hales
ATTN: Chief of Staff Josh Alpert
City of Portland City Hall
1221 SW Fourth Avenue
Portland OR 97204
josh.alpert@portlandoregon.gov

Commissioner Amanda Fritz
City of Portland City Hall
1221 SW Fourth Avenue
Portland OR 97204
amanda@portlandoregon.gov

**Re: Commitment of Right 2 Dream Too (R2DToo)
to Relocate to SE 3rd and SE Harrison Site**

Dear Mayor Hales and Commissioner Fritz:

As you know, R2DToo and the City have been negotiating concerning a Use Agreement and a Site Plan toward the objective of relocating R2DToo's rest area from its current site on NW 4th and Burnside to SE 3rd and Harrison. R2DToo, by this letter, formally commits to relocating to the new site as soon as possible after the following conditions are satisfied:

- A Use Agreement is executed between R2DToo and the City. [As you know, we have been working diligently toward completing that Agreement and I expect that Agreement to be completed and executed within thirty days.]
- A Site Plan is agreed to between R2DToo and the City. [We have been negotiating diligently as well on the Site Plan, and would expect that to be completed within sixty days.]
- The SE 3rd and Harrison site is ready to accommodate the relocation of the rest area. By this we mean:
 - The environmental remediation work currently planned is completed;
 - The modules and structures envisioned in the Site Plan are acquired and installed at the site;
 - The City obtains the “right of way” to permit occupancy of the site; and
 - Utilities (water and electricity) are operational at the site.

Mayor Hales and Commissioner Fritz
December 4, 2015
Page 2

While this commitment is made without any further conditions, as you know, R2DToo faces eviction from its current site long before relocation to the new site is possible. We have written to the Portland Development Commission and asked them to complete the sale of the NW 4th and Burnside site to the site's owners and to permit R2DToo to remain on its current site until the new site is site-ready as set forth above. We hope and trust that the City will forcefully advocate that position with the PDC.

This commitment is made with the understanding that there will be a transparent accounting and discussion regarding the "Trust Fund" established by virtue of City Ordinance 186464 (February 19, 2014). R2DToo reserves its right to discuss and if necessary object to proposed allocations from such fund to reimburse the City for its acquisition of the 3d and SE Harrison site and for the purchase and siting of structures, modules and improvements for such site.

We seek a reciprocal commitment by the City of Portland to move forward in good faith with the relocation as set forth above, either by signature of the Mayor and Commissioner Fritz on this document or by way of a confirmation letter.

We look forward to completing our negotiations, the actual relocation, and continuing to work together to address the needs of houseless people in the Portland area and beyond.

Sincerely,

KRAMER & ASSOCIATES

Mark Kramer

Mark Kramer, Attorney at Law

IT IS SO APPROVED THIS 4TH DAY OF DECEMBER, 2015*

Ibrahim Mubarak

Ibrahim Mubarak,
Chair, Board of Directors
Right 2 Dream Too

* With approval of the majority of the Board of Directors.