

This document constitute the official meeting record of the April 9, 2008 Portland Development Commission Board of Commissioner's meeting held at 222 NW Fifth Ave., Portland, OR 97209.

I. CALL TO ORDER AND ROLL CALL

Chair Mark Rosenbaum called the meeting to order at approximately 3:09 p.m.

Ms. Renee Castilla, acting as recording secretary for the Board, called the Commission roll:

Chair Mark Rosenbaum	PRESENT
Commissioner Bertha Ferran	ABSENT
Commissioner Sal Kadri	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Charles Wilhoite	ABSENT

II. MINUTES

Commissioner Mohlis moved and Commissioner Kadri seconded the motion to adopt the meeting minutes of February 27, 2008.

AYES: Rosenbaum, Kadri, Mohlis

III. COMMISSIONER REPORTS

Commissioner Mohlis stated he has been attending the Workforce Diversity Community Meeting and has been satisfied with the work so far. In addition, he said he toured the Lents URA with PDC staff, Amy Miller Dowell, Ms. Cheryl Twete and Ms. Erin Flynn.

Commissioner Kadri stated he had the opportunity to speak with Senator Wyden while he was in Washington DC and talked about the Transportation Trust Fund and infrastructure needs in Oregon. He said the Trust Fund would enable funding of much needed projects which would result in the creation of jobs.

Chair Rosenbaum stated he attended an Urban Land Institute presentation on Commercial Real Estate and the challenges occurring across the United States. He also had the opportunity to discuss the PDC budget with members of the Eastside Rotary Club. He further stated he had the opportunity to address the African American Alliance at their recent breakfast regarding PDC. Chair Rosenbaum said he has been meeting with Multnomah County to discuss the impact TIF has on their county.

IV. EXECUTIVE DIRECTOR REPORT

Executive Director Bruce Warner presented Report No. 08-41 and highlighted the following:

- Attended the March 13 celebration for the renovation of the White Stage building into University of Oregon’s new Portland Center;
- Downtown retailer Mercantile opened in new space at SW 7th and Alder;
- Construction has begun on Ziba World Headquarters;
- On March 6, 2008, more than 30 people from the Portland development community joined PDC staff for an early morning breakfast; and
- The Single Family Limited Tax Abatement program is underway. Of the 547 units approved under the program, 289 were pending sales to eligible homebuyers. Of the 258 eligible homebuyers approved, 50 percent were minority households, with Asian homebuyers making up 70 percent of the minority households. The program served 213 first-time homebuyers, 149 families with a total of 310 children and 40 female heads-of-household. The vast majority of the families with children purchased homes in the Portland Public School District.

V. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there were no public comment for items not on the agenda, Chair Rosenbaum moved to the next agenda item.

VI. CONSENT AGENDA

Commissioner Mohlis moved and Commissioner Kadri seconded the motion to adopt the consent agenda:

Resolution 6569, titled, “Designation of PDC Budget Officer”.

Resolution 6571, titled, “Appointment of Mr. David Russell to the Gateway Regional Center Urban Renewal Advisory Committee.”

Resolution 6572, titled, “Appointment of Mr. Lee Harfield to the Lents Town Center Urban Renewal Advisory Committee.”

It was noted by Chair Rosenbaum the resolutions would not take effect for thirty days due the presence of only three commissioners.

AYES: Rosenbaum, Kadri, Mohlis

VII. AUTHORIZE IGA WITH THE BUREAU OF PLANNING

Mr. Robert Alexander presented Report No. 08-43, titled, “Authorize IGA with the Bureau of Planning.”

Mr. Alexander stated the action authorizes the Executive Director to enter into an Intergovernmental Agreement (“IGA”) between the Portland Development Commission (“PDC”) and the Bureau of Planning (“Bureau”) to conduct a study of the Central City that would; (i) include the possible formation of a new urban renewal area in the downtown core area; (ii) update the Central Portland Plan; and (iii) update the Portland Plan, the City’s Comprehensive Plan (collectively, the “Project”).

He stated the IGA would cover the following planning elements for fiscal years (FY) 2007-08 through 2009-10:

	FY 07-08	FY 08-09	FY 09-10	PDC Total	(Other funding Sources)
Project Design and Westside URA Study	\$329,967	-	-	\$329,967	\$295,469
Policy Framework	\$109,989	\$250,000	-	\$359,989	\$943,086
Plan Implementation future URAs		\$350,000	-	\$350,000	\$493,349
Implement Plan Development	-	-	\$450,000	\$450,000	\$790,623
Total	\$439,956	\$600,000	\$450,000	\$1,489,956	\$2,522,527

He further stated the Project is part of a multi-year effort that will span three fiscal years: FYs 2007-08, 2008-09, and 2009-10. PDC's total financial commitment for the Project for all three fiscal years is \$1,489,956 million.

Mr. Joe Zehnder, Portland Planning, stated he had spoken with PDC staff and have concurred that Portland Planning would provide a semi-annual report detailing progress on the anticipated scope of work and detailing the public involvement in the Central Portland Plan/Portland Plan.

After discussion among PDC Commissioners and staff, Chair Rosenbaum expressed his support of the IGA, however, requested staff bring back to the next meeting a revised IGA and resolution addressing that PDC will lead a community effort to identify potential new urban renewal areas for downtown. Further, PDC will collaborate with Portland Planning to ensure all URA opportunities and challenges are addressed in the Central Portland Plan Update. Further, Portland Planning will participate in the PDC led process. He also expressed the importance of assuring regular updates be provided to the Board as well.

Chair Rosenbaum further stated it was important for future IGAs to evaluate the time PDC staff spends lending its expertise and further evaluate how to capture that time commitment and value added to projects.

VIII. ADOPT THE FY 07-08 PARKS IGA FOR WATERFRONT PARK, ANKENY PLAZA , AND STREET IMPROVEMENTS PROJECT

Mr. Kevin Brake presented Report No. 08-45, titled, "Adopt the FY 07-08 Parks IGA for Waterfront Park, Ankeny Plaza, and Street Improvements Project."

Mr. Brake stated the action would authorize the Executive Director to:

1. Enter into an Intergovernmental Agreement (IGA) with Portland Bureau of Parks & Recreation (PP&R) for the design and construction of improvements to Waterfront Park, including Portland Saturday Market's new home, and improvements to enhance public safety under the Burnside Bridge, including a new active retail space at the MAX Station platform, and lighting, painting and public safety improvements to the parking area between the MAX Station and Naito Parkway (Project), and payment to PP&R in an amount not to exceed One million, nine hundred, seventy-eight thousand seven hundred DOLLARS (\$1,978,700) for services performed as described in the IGA; and

2. Enter into necessary contracts for hard construction and construction soft costs in a total amount not to exceed Six million, eight hundred seventy, four hundred and two AND NO/100 Dollars (\$6,870,402), with Five million, six hundred, twenty two thousand, one hundred and twenty two AND NO/100 Dollars (\$5,622,123) for construction hard costs, and One million, two hundred, forty eight, two hundred, seventy eight AND NO/100 Dollars (\$1,248,279) for construction soft cost on the Project.

He stated the project is under an extremely compressed schedule in order to complete improvements to Waterfront Park by March 2009, to accommodate Portland Saturday Market (PSM) for the start of the 2009 market season. Completion of the project by March 2009 must occur in order to follow through on the commitments made by PDC to adjacent property owners and PSM vendors.

Further, he stated the PDC Board of Commissioners (Board) approved the Ankeny / Burnside Development Framework (Framework) on December 13, 2006 (Resolution 6420), which recommended these public realm improvements as key to the revitalization to Ankeny / Burnside in the Downtown Waterfront Urban Renewal Area (DTWF URA). He said the IGA would cover the planning, design and construction elements for fiscal years 2007-08 and 2008-09.

Ms. Margaret Hinshaw representing Mercycorps NW expressed their thanks to the Commission and staff for the hard involved to move the Saturday Market and welcome their headquarters into the Old Town China Town neighborhood.

Mr. Paul Verhoeven representing the Portland Saturday Market spoke in support of the proposed IGA for Waterfront Park, Ankeny Plaza and the proposed streetscape improvements.

After discussion among PDC Commissioners and staff, Chair Rosenbaum stated staff provided an excellent representation of the project and commended the amount of work PDC staff has lent towards the project. He further directed PDC staff to work with Parks and PDOT staff to determine how the stream of income from Portland Saturday Market could be used to reinvest in the project itself. Furthermore, he stated it was important for all involved to realize that PDC has fulfilled its commitment to Portland Saturday Market including the amount used to purchase and salvage the Skidmore Fountain Building, the \$1 million used to pay off the debt on the building and further, the \$8.5 million for the relocation of the Markets Operations. He said it was important for the Saturday Market's vendors to start assisting financially since the taxpayer's of Portland have been doing their share.

Commissioner Mohlis moved and Commissioner Kadri seconded the motion to adopt Resolution No. 6557, titled, "Adopt the FY 07-08 Parks IGA for Waterfront Park, Ankeny Plaza, and Street Improvements Project."

AYES: Rosenbaum, Ferran, Kadri, Mohlis, Wilhoite

IX. REVIEW OF INTERSTATE AVENUE REZONING PROPOSAL

Mr. Kevin Cronin presented Report No. 08-46, titled, "Review of Interstate Avenue Rezoning Proposal."

Mr. Cronin stated in February 2007 the Bureau of Planning and the Portland Development Commission (PDC) kicked off the Interstate Light Rail Corridor Zoning Project with the first of twelve Community Advisory Group (CAG) meetings. The PDC Board of Commissioners (Board)

authorized this project through the Interstate Corridor Urban Renewal Area (ICURA) FY 2006-07 and 2007-08 budgets (of \$150,000) to fund this implementation process through the Bureau of Planning. PDC has provided support primarily with technical assistance and by co-leading the public participation process.

Mr. Cronin provided an update and presented a final report - "North Interstate Corridor Plan" - that presents an urban design concept for the Interstate Corridor as well as amendments to the zoning map, zoning code, and design review criteria. The process also documents the technical, legal, policy alternatives, and public involvement process. Staff will seek comments on the report's findings before the proposal moves forward with a presentation of the report and a public hearing before the Planning Commission on April 22, 2008, and Design Commission on May 1, 2008. The City Council, which has the final authority for zone changes, is tentatively scheduled to review and hold a hearing in July 2008.

X. SOUTH CORRIDOR LIGHT RAIL – PORTLAND – MILWAUKIE BRIEFING

Ms. Geraldene Moyle, PDC and Mr. Fred Hansen, TriMet, presented Report No. 08-47, titled, "South Corridor Light Rail – Portland – Milwaukie Briefing".

Ms. Geraldene Moyle stated Mr. Fred Hansen with TriMet would present the PDC Board of Commissioners (Board) with a project briefing on the Portland to Milwaukie Light Rail Project. The briefing will include the following:

- Project Overview
- Project Benefits
- Schedule and Timeline
- Capital Funding

She said future presentations include an update briefing in May 2008, followed by a June 2008 Board recommendation to City Council on a preferred light rail river crossing alignment.

Mr. Fred Hansen stated the South Corridor light rail connection from Portland to Milwaukie has been in Metro's regional plan since the early 1980's. Light rail project development started in the early 1990's and was examined as part of the South/North Transit Corridor Project that evaluated light rail alignment options from Clackamas Town Center to Milwaukie and from Portland to Vancouver. In 1998, this effort resulted in a recommended alignment, known as the Locally Preferred Alternative (LPA), adopted by Metro, TriMet, and local jurisdictions, including the City of Portland. The LPA was amended most recently in 2003.

Mr. Hansen provided background on previous attempts to determine how the South Corridor Light Rail would be funded. He also said Metro is in the environmental study phase of the formal planning of this alignment, known as South Corridor Phase II-Portland to Milwaukie Light Rail Corridor. This six and one-half mile alignment between Portland and Milwaukie would provide additional transportation capacity for fast-growing communities with high traffic congestion in Clackamas County and southeast Portland. The line would connect an estimated 24,000 – 25,000 daily riders to the existing MAX system, creating access to the Central Eastside, South Waterfront, downtown Portland, Hillsboro, Gresham, and the Portland airport. Nine to ten stations and a new bridge across the Willamette River connecting the North Macadam and Central Eastside URAs would be part of the line.

Mr. Hansen explained the environmental study phase culminates in the completion of an update to the Draft Environmental Impact Statement (DEIS) completed in 1998 for the LPA. This Supplemental Draft Environmental Impact Statement (SDEIS) evaluates the LPA and the alternatives over many factors, including design, costs, land use, and travel time. The SDEIS is expected to be published in May 2008, with a 45-day public comment period and a public hearing, followed by recommendations from the Project Citizen Advisory Committee, Project Management Group, and Steering Committee, and may conclude with recommendations for changes to the LPA. Changes to the LPA would be adopted by the South Corridor Project Steering Committee in June 2008. Commissioner Sam Adams is the City of Portland's representative, and Metro Councilors Carlotta Collette and Robert Liberty co-chair the Steering Committee. Based on the finding of the environmental study phase, the City of Portland will recommend an alignment in June /July 2008 and the Metro Council will adopt the Locally Preferred Alternative in July.

Mr. Hansen also indicated Metro and TriMet would begin working with its regional partners, including the Oregon Department of Transportation, TriMet, Clackamas and Multnomah counties, and the cities of Portland, Milwaukie and Oregon City to determine how the local portion of the funding would be raised. He said they are looking to the City of Portland and the Portland Development Commission for a total local commitment of approximately \$50 million.

After discussion among the PDC Board and Staff, Chair Rosenbaum stated the project is an important one for the region and it does bring in millions of federal dollars into the region, however, finding the local contribution would be challenging.

XII. RESOURCE ACCESS CENTER UPDATE

Mr. John Warner presented Report No. 08-48, titled, "Resource Access Center Update".

Mr. Warner stated on February 27, 2008, the Portland Development Commission Board of Commissioners (the "Board") approved Resolution No. 6564 designating Block U, located at NW Irving St., NW 6th Ave., NW Broadway and Hoyt Street ("Block U") as the site for the development of the Resource Access Center (the "RAC") and affordable housing project by the Housing Authority of Portland ("HAP") (collectively, the "Project"). The Board further resolved that, subject to appropriation and determination of financial need, PDC would provide a maximum of \$28 million in Tax Increment Financing (TIF) for the Project. The Resolution also provided that an agreement be reached within ninety days defining the terms and conditions of the transaction, and that it was the intent of PDC to convey Block U to HAP thirty days after that agreement.

Mr. Warner stated over the past month, (1) negotiations have begun between PDC, HAP, the Bureau of Housing and Community Development ("BHCD"), and Transitional Projects Inc. ("TPI") to produce a long term strategy for the funding and the operation of the RAC, (2) negotiations have begun between HAP and PDC to implement the transfer of Block U to HAP and to commit the funds necessary for the Project, and (3) initial due diligence and development planning have begun. Specific progress is outlined below.

ACHEIVEMENTS

- HAP has developed an expedited project schedule and advanced the development planning through the initial stages of the conceptual design phase. HAP is in the process

of hiring a Construction Manager/General Contractor. An appraisal has been ordered by PDC and a survey has been ordered by HAP.

- A predevelopment Intergovernmental Agreement has been negotiated between PDC and HAP (the “Predevelopment IGA”). Under the Predevelopment IGA, PDC will provide up to \$277,500 from Downtown Waterfront TIF to reimburse HAP for expenses incurred for the Project, including HAP staff time from November 2007 through June 2008.
- PDC has begun environmental site assessment through a contract with Hart Crowser. The Department of Environmental Quality issued a rapid approval of the assessment approach defined by the consultant team. More definitive information on the environmental status of Block U will be available by the end of April. The environmental condition of Block U is critical information that relates to the conveyance date and conditions.
- In addition to the Predevelopment IGA, HAP and PDC have agreed to negotiate two agreements to implement the Board’s direction:
 - (1) A Development and Disposition Agreement (“DDA”); and
 - (2) Intergovernmental Agreement (“IGA”) between BHCD, HAP and PDC
- HAP is preparing the initial draft of the IGA and PDC will prepare the initial draft of the DDA. Specifics of both of these agreements are the subject of ongoing negotiations.
- Under the direction of John Warner, PDC staff has developed a Project Charter to ensure that staff in all departments’ coordinates expectations and efforts related to the development of the RAC.
- In regard to the “East of Pearl” site and the siting option offered up for consideration by Mr. John Beardsley as an alternative to Blocks U and 25 during the February 27, 2008 Board meeting, HAP asked for more information and did not receive any additional detail to evaluate. Therefore both PDC and HAP view this matter as closed and we are concentrating our full joint focus on moving the Project forward on Block U.

Ms. Doreen Binder representing TPI, Inc. expressed her support of the ongoing process and advised the Commission of their ongoing work to define funding streams, program requirements and achievements.

XIII. IMPLEMENTATION UPDATE: MARTIN LUTHER KING, JR. BLVD. ACTION PLAN

Ms. Estee Segal presented Report No. 08-49, titled, “Implementation Update: Martin Luther King, Jr. Blvd. Action Plan”.

Ms. Segal presented a brief progress report on the implementation of the *Martin Luther King, Jr. Blvd. Strategy and Action Plan* (Action Plan) since staff’s last report in August 2007. She said since August, a number of major milestones have been achieved, including the Vanport Project Phase I construction completion and opening, completion of the Martin Luther King, Jr. Blvd. Economic Development Study, significant progress on the Gateway and Heritage Markers Concept Plan, and an amendment to the Oregon Convention Center (OCC) Urban Renewal Area (URA) boundary to include the site for the Miracles Club redevelopment project.

Ms. Segal further stated the report also highlights proposed updates to the Action Plan based on feedback from the community and changes on Martin Luther King, Jr. Blvd. over the last two years. In February and March, staff went back to the organizations and stakeholders that they met with to develop the original 2006 Action Plan, to update them on progress in the area and to discuss ongoing opportunities and challenges. Staff put together a video presentation on the Action Plan that was shared at each meeting and which will be shared with the Board. A simplified, colorful flyer highlighting the updated Action Plan was also handed out at these meetings.

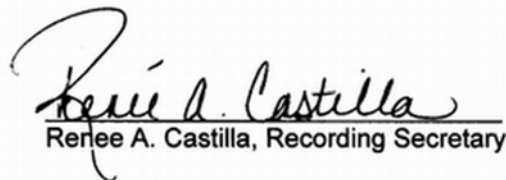
Ms. Segal also stated Staff intends to incorporate feedback from the remaining public meetings and from the Board briefing in a “final draft” version of the Action Plan, to be submitted to the Board for approval in June 2008. She said the Action Plan has clearly made a difference in coordinating and communicating the city’s approach to revitalization on Martin Luther King, Jr. Blvd. It has provided a framework for staff’s work in the area and a way to measure our accomplishments. It is an example of cross-departmental and cross-bureaus working together on common goals. One of its strengths is that it is a “living document” and that staff and the community has the ability to change it and add to it as the reality on Martin Luther King, Jr. Blvd. changes, as projects are completed and as new challenges arise.

IVX. ADJOURNMENT

There being no further business, Chair Rosenbaum adjourned the meeting at 7:24 p.m.

Respectfully submitted,

Approved by the Portland Development Commission on April 23, 2008.



Reree A. Castilla, Recording Secretary