

This document constitutes the official meeting record of the November 12, 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 Wilhoite called the meeting to order at approximately 3:07 p.m..

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

Chair Charles Wilhoite	PRESENT
Commissioner Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	PRESENT

II. EXECUTIVE DIRECTOR'S REPORT

Executive Director Bruce Warner presented Report No. 08-125 and highlighted the following:

- PDC is kicking off a brown bag series a way to educate and inform staff about arrange of subjects. A minimum of two brown bags will be organized each month;
- Mr. Warner stated he attended an urban renewal tour with state senator Suzanne Bonamici as well as attending an urban renewal briefing with state representative candidate Jules Kopel-Baily;
- He said a steady stream of companies in the clean tech cluster continue to seek a presence in the Portland region to take advantage of our well-educated and trained workforce and Business Energy Tax Credit (BETC) incentives. The finalized details around a Portland solar recruitment project are expected to be announced in December 2008 and staff is also fielding several solid inquiries from companies investigating Portland an expansion location – all generated by our participation in the European Photovoltaic Solar Trade Show;
- To date this fiscal year, PDC financing has assisted 14 businesses with nearly \$2 million in loans and grants, generating \$6.7 million in private investment and a projected 500+ jobs;
- On October 16, I was pleased to participate in the ribbon cutting ceremony for the new 332-room luxury hotel called "The Nines" atop a remodeled Macy's in downtown Portland;
- The agency's TIF Affordable Housing Set-Aside Report for FY 2007-08 is now in draft form, however, City Commissioner Nick Fish has asked for a delay in its release so it can be vetted more;
- The grand opening of the replacement project for the (PDC-owned) Jefferson West, the Jeffrey Apartments, in the South Park Blocks URA was held October 21, 2008;
- Guests gathered on October 16 for grand opening of Esperanza Court, a 70-unit low-income housing project for individuals and families. The project is located at 3611 Se 28<sup>th</sup> and was developed by Caritas Housing – the housing development and ownership arm of Catholic Charities;
  - Broadway Vantage Apartments opening – located at NE Broadway and 82<sup>nd</sup> Avenue. The project provides 58 units of affordable rental housing between the levels of 30-50 percent Median Family Income for households;

Charles A. Wilhoite  
*Commission Chair*

Bertha Ferrán  
*Commissioner*

John C. Mohlis  
*Commissioner*

J. Scott Andrews  
*Commissioner*

Position 5 (vacant)  
*Commissioner*

Tom Potter  
*Mayor*

Bruce A. Warner  
*Executive Director*



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- Mr. Warner highlighted the various events sponsored by PDC in which the Communications and Business Equity staff attended;
- He also highlighted the South Waterfront Workforce Diversity Report where workforce equity among apprentice workers continue to lead the diversity efforts.

### III. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there was no public comment, Chair Wilhoite moved to the consent agenda.

### IV. CONSENT AGENDA

Commissioner Wilhoite called for a motion to adopt the Consent Agenda:

Resolution No. 6645, titled, "Appointing Mr. Charles Braymen and Mr. Raymond Hites to the Lents Town Center Urban Renewal Advisory Committee."

Resolution No. 6646, titled, "Creating a new position on the River District Urban Renewal Advisory Committee to represent the Portland Downtown Neighborhood Association, and appointing Mr. Dan Zalkow to fill this new position."

Resolution No. 6647, titled, "Appoint members to the River District Urban Renewal Area Advisory Committee."

Resolution No. 6648, titled, "Approve the first amendment to the Letter of Intent and Escrow Agreement with the United States Postal Service, extending the exclusive negotiation period by 90 days to March 31, 2009 and changing the date anticipated for execution of a Purchase and Sale Agreement to March 31, 2009 for the property located at 715 NW Hoyt Street, Portland, Oregon, in the River District Urban Renewal Area."

Resolution No. 6649, titled, "Creating a new position on the Lents Town Center Urban Renewal Advisory Committee to represent the Foster-Powell Neighborhood Association, and appointing Mr. John Mulvey to fill this new position."

Resolution No. 6650, titled, "Creating a new position on the Lents Town Center Urban Renewal Advisory Committee to represent Multnomah County, and appointing Ms. Rachel Cunningham to fill this new position."

Commissioner Andrews moved and Commissioner Ferran seconded the motion to adopt Resolution Nos. 6645, 6646, 6647, 6648, 6649 and 6650.

Commissioner Ferran stated she was in support of Resolution No. 6647, however, she directed staff to continue to look for individuals supportive of affordable home ownership to add to the membership list.

Commissioner Andrews said he wanted to make sure the public understood Resolution No. 6648 was a simple act to extend the negotiation period. He said he did not want the public to gain the wrong understanding because it was on the consent agenda and not presented publicly.

AYES: Wilhoite, Andrews, Ferran, Mohlis  
NAYS: None

## V. EXECUTIVE SESSION

Chair Wilhoite stated the Board would be meeting in executive session for the purpose of deliberating with persons designated by the Board to negotiate real property transactions. The executive session was held pursuant to ORS 192.660(2)(e), which allowed the Board to meet in executive session to deliberate with persons designated by the Commission to negotiate real property transactions.

He stated representatives of the news media and other designated staff was allowed to attend the executive session. All other members of the audience were asked to leave the room. Representatives of the news media were specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously discussed. He said no decision would be made in executive session. At the end of the executive session, he returned to open session and welcomed the audience back in to the room.

## VI. BLANCHET HOUSE ACQUISITION AND DIRTY DUCK SITE DISPOSITION

Commissioner Andrews stated he had a real conflict of interest in the item up for discussion due to his partnership with the proposed developer Dan Petrovich. He stated due to this conflict of interest, he would not be able to participate in the discussion of the topic nor participate in the vote.

Mr. John Warner presented Report No. 08-133, titled, "Disposition and Development Agreement with Blanchet House of Hospitality for property at the SW corner of the intersection of NW Glisan Street and NW Third Avenue; and providing \$2 million dollars in financial assistance.

Mr. Warner stated the action would authorize the Executive Director to enter into a Disposition and Development Agreement (DDA) between PDC and the Blanchet House of Hospitality (BHH). The DDA provides the terms and conditions for financial assistance and for conveyance of a 9,500 square foot property with building, located at 314-316 Northwest Glisan Street and 421, 429 & 439 Northwest 3rd Avenue (the "Property") in the River District Urban Renewal Area (River District URA). The building is often referred to as the "Dirty Duck" after a long-term commercial tenant. He said the Blanchet House of Hospitality will acquire the Property at no cost. PDC will provide \$2 million dollars in financial assistance to BHH in the form of a grant provided, among other things, BHH raises the balance of funds needed to construct its new building (estimated total cost of \$8 million dollars).

In addition, before transferring the Property and closing the financial assistance to BHH, the DDA requires the execution of an Option Agreement giving PDC the option to acquire, at no cost, the existing BHH-owned 2,500 square foot improved property (340 NW Glisan Street) after the construction of BHH's new facility. Mr. Warner stated the Property was purchased by PDC for redevelopment in 1991. The single story masonry structure was built in 1917 as several attached structures and has had very little renovation or capital improvement since that time. The building is functionally and physically obsolete and would require major capital expenditures in order to extend its useful life including accessibility improvements, fire and safety upgrades, renovated systems and finishes.

Mr. Warner said the Blanchet House is a (501(c) 3) non-profit corporation that operates the Blanchet House. Blanchet House has been located in the Old Town/Chinatown neighborhood on Block 25 since 1952 and typically serves 800 meals a day to homeless and other low income men and women. The new facility is expected to serve the same number of people as the current facility but will be a more appropriate and adequate space for the no-cost meals

program including adequate bathrooms. Additionally, client queuing on the sidewalk will be reduced in the new facility by two means; a larger dining area will allow more people to be seated at one time and the new design includes an internal queuing area. Blanchet House currently provides second floor dormitory style living accommodations for up to 32 men.

The new Blanchet House is proposed as a 40,000 square foot building, including the basement, with three residential floors of housing over the first floor cooking / feeding spaces. The three residential floors will provide housing for 50 - 62 low income, homeless men participating in the Blanchet program in single rooms with 1-2 beds per room. One residential floor is expected to be a "transitional" floor for "graduates" of the basic Blanchet program. On that floor approximately 12 men will live for up to one year with continuing support from the Blanchet program after they begin employment outside of Blanchet House. In addition, the Blanchet House program provides employment training and increases job readiness for homeless men. In the new facility, approximately 50 participants will be required to work six hours a day in the meals program in exchange for meals and living accommodations.

Mr. Dan Petrovich, representing Blanchet House, expressed his support of the item and said they have already begun their capital campaign for fundraising. He stated he is excited about the new development and thanked the Board for their support of the Blanchet House, its history and its mission.

Chair Wilhoite called for a motion to adopt Resolution No. 6651, titled, "Authorization to enter into a Disposition and Development agreement with the Blanchet House of Hospitality for certain PDC-owned property located at 314-316 NW Glisan Street and 421, 429 & 439 NW 3rd Avenue in the River District Urban Renewal Area and providing financial assistance in the amount of \$2 million dollars."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6651.

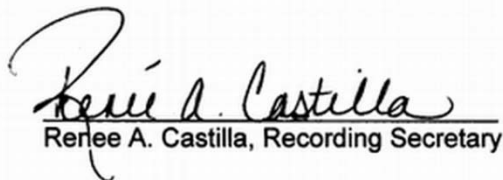
AYES: Wilhoite, Ferran, Mohlis  
NAYS: None  
Abstain: Andrews

VII. ADJOURN

There being no further business, Chair Wilhoite adjourned the meeting at 5:05 p.m.

Respectfully submitted,

**Approved by the Portland Development Commission on December 10, 2008.**



Renee A. Castilla, Recording Secretary