

This document constitutes the official meeting record of the December 10, 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 3:02 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. MEETING MINUTES

Chair Wilhoite called for a motion to approve the meeting minutes of November 12, 2008 and December 1, 2008 as submitted.

Commissioner Andrews moved and Commissioner Ferran seconded the motion to approve the minutes of November 12, 2008 and December 1, 2008 as submitted.

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

III. EXECUTIVE DIRECTOR'S REPORT

Executive Director Bruce Warner presented Report No. 08-136. He highlighted the following:

- Visit from a group from Cincinnati who are seeking to complete financing for a streetcar line in their city;
- We opened new housing in the city including the Watershed, the Estate Hotel, Esperanza Court, Musolf Manor, helped remove dangerous lead from homes, and broke ground at the Shaver Green housing project;
- We launched new initiatives including the MLK Heritage Marker project;
- We celebrated as Vanport Square opened, Park Block 5 broke ground, we chose a developer for Centennial Mills, opened the White Stag/University of Oregon project, issued an RFP for the Grant Warehouse site, and dedicated improvements to NE 102nd Avenue in the Gateway URA;
- We celebrated the opening of The Nines hotel above a renovated Macy's store in the heart of downtown and organized a community celebration of all the successes taking place in Old Town/Chinatown;
- We organized the Lents Resource Fair and participated in many minority home buying fairs to boost minority home ownership;
- We celebrated improvements at Dawson and Patton Parks in the Interstate URA paid for by urban renewal funds from that district;
- We celebrated our 50th anniversary and the completion of light rail lines along NW 5th & 6th Avenues;
- We worked with City Council on the approval of five urban renewal ordinances affecting four URAs;



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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- Staff volunteered to help organize and assist at the annual MLK cleanup and Lents Fix It Fair;
- And we had some fun including the annual Lents softball game, Bike Commute Challenge, several blood drives, a 50th anniversary staff and family picnic, Earth Day observance, annual bocce ball tournament, sponsored Jazz on Mississippi, and celebrated our diversity at several events sponsored by our internal Diversity Council;
- **Foreclosure Prevention**—the Neighborhood Housing Program section is working with the city to develop a local response to the foreclosure crisis. With foreclosures on the rise, declining housing prices in some areas, and many loans resetting at increasing numbers, Mayor-elect Adams has asked City Commissioner Nick Fish to lead a collaborative effort to mitigate the number and impact of foreclosures in the city. As a starting point, Commissioner Fish is proposing a five-pronged approach to address the issues. These strategies include:
 - Mortgage/foreclosure fraud prosecution and prevention;
 - Public awareness campaign;
 - Foreclosure prevention counseling;
 - Neighborhood stabilization program utilization;
 - First-time homebuyer opportunities;

- **Web statistics for November**

Oct. 24 – Nov. 23, 2008:

Unique visitors: 16,853

Total visits: 23,521

Average number of pages viewed: 3

Most popular pages:

- Main page
- PDC jobs
- RFPs
- PDC Contacts
- Doing Business with PDC

Goal	Women	People of Color	Apprentice	Difference
11.0%	6.69%			[4.31%]
17.0%		23.37%		+6.37%
20.0%			26.18%	+6.18%

Mr. Warner also commented to the Board that the LUBA appeal on the Satellite district was heard and PDC would be expecting a decision shortly. In addition, he stated the next LUBA appeal on the entire River District would be heard the following Thursday.

Interim Counsel David Elott explained to the Commissioners that LUBA could confirm Portland City Council’s action, reverse or remand the action to allow the City and Portland Development Commission to make corrections and then take back to City Council. In addition, he commented the LUBA decision is subject to appeal in front of the Oregon Court of Appeals.

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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

V. CONSENT AGENDA

Commissioner Wilhoite called for a motion to adopt the Consent Agenda: Resolution No. 6658, titled, "Approving the Downtown Marketing Initiative Grant Agreement with Portland Business Alliance and Authorizing the Executive Director to disburse \$453,466 to the Portland Business Alliance per terms of the agreement."

Resolution No. 6656, titled, "Certification that Portland Development Commission has complied with terms of Economic Development Administration ("EDA") Grant #07-39-2093, for the Fiscal Year Ending September 30, 2008."

Resolution No. 6657, titled, "Certification that Portland Development Commission has complied with terms of Economic Development Administration ("EDA") Grant #07-39-02259, for the Fiscal Year Ending September 30, 2008."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to pass Resolution Nos. 6658, 6656 and 6657.

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

VI. AUTHORIZE INITIATION OF A "NORTH/NORTHEAST STUDY" OF INTERSTATE CORRIDOR AND OREGON CONVENTION CENTER URBAN RENEWAL AREAS AND PLANS

Mr. John Jackley and Mr. Robert Alexander presented Report No. 08-140, titled, "Authorize Initiation of a "North/Northeast Study" of Interstate Corridor and Oregon Convention Center Urban Renewal Areas and Plans."

Mr. Jackley stated the action item authorizes the Executive Director to initiate a study of the Interstate Corridor (Interstate) and Oregon Convention Center (OCC) Urban Renewal Plans which would include research on current and future investments in the areas.

Mr. Jackley said the process may examine boundary adjustments in the districts which would potentially allow those areas outside the current urban renewal area to benefit from inclusion. The study will also examine the removal of areas from the current boundaries, such as right-of-way and undevelopable land which would increase the citywide acreage that could be included in an urban renewal area. The maximum indebtedness will be analyzed in these areas to determine if financial capacity is sufficient to achieve the known projects and objectives of the areas. The study will also examine a possible extension of the last date to issue bonded indebtedness in order to complete major projects.

Mr. Williams stated a public participation plan is in preparation to inform and educate stakeholders and the general public on the impacts regarding this action. The plan calls for working with the Urban Renewal Advisory Committees, Neighborhood Associations, Business Associations and other community organizations. Public input will be gathered through a variety of tools such as community meetings, website, and stakeholder interviews.

Mr. Alexander said the North/Northeast Study, which will take place during the 2008-09 fiscal year will include an analysis of past and planned investment plans, possible boundary adjustments and priorities for investments in the Oregon Convention Center and Interstate Corridor Urban Renewal Areas. The North/Northeast Study will be conducted in partnership with the community to ensure the investments made by the Portland Development Commission (PDC) enhance livability and economic opportunity with the two urban renewal areas and the city at-large.

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6655, titled, "Authorize Initiation of the North/Northeast Study, a Study of the Current and Future Investment in the Interstate Corridor and Oregon Convention Center Urban Renewal Areas to Consider Revisions of the Current Boundaries."

AYES: Wilhoite, Andrews, Ferran, Mohlis

NAYS: None

VII. ACQUISITION OF REAL PROPERTY AT 9231 SE FOSTER ROAD IN THE LENTS TOWN CENTER URBAN RENEWAL AREA.

Ms. Amy Miller Dowell presented Report No. 08-138, titled, "Acquisition of Real Property at 9231 SE Foster Road in the Lents Town Center Urban Renewal Area."

Ms. Miller Dowell stated the action would authorize the purchase of real property located at 9231 SE Foster Road, comprised of two lots in the middle of the Lents Town Center, from property owners Oleg and Liudmila Kovalenko, for \$1,200,000. The purchase amount is the fair market value from an appraisal conducted by Integra Realty Resources - Portland (dated July 30, 2008). Lot numbers 12 and 13 are located on the southeast side of Block 1, bounded by Interstate 205 and SE 92nd Avenue between SE Foster Road and SE Ramona Street. The combined parcels are 0.76 acre in size. A 6,000 square foot storefront with attached storage building and asphalt parking lot are located on these parcels. The zoning code designation for this property is Central Employment with a design overlay (EXd).

She further stated acquisition of the property would further facilitate implementation of the Lents Town Center revitalization strategy by redeveloping, or causing redevelopment of, blighted and/or underutilized land and buildings to help create jobs, business and housing opportunities while capitalizing on the addition of the new MAX Green Line station. Revitalizing the Lents Town Center has been a high priority for the community since the inception of the Lents Urban Renewal Area in 1998. The proposed property acquisition is comprised of two lots at the entrance of the Lents Town Center at a very visible location. Current site improvements consist of two lots, one (Lot 12) includes a 6,000 building with commercial storefront with frontage along SE Foster Road and a large attached storage warehouse. The second (Lot 13), has a small 3,000 square foot asphalt surface parking lot. Additionally, redevelopment of the site will improve the value of future developments and surrounding businesses at the entrance to the adjoining Lents Town Center MAX station.

Mr. Pasqual Contreras stated the Portland Development Commission (PDC) is paying the appraised fair market value of \$1,200,000. This amount is justified for use of public funds because of the property's proximity to PDC-owned sites and planned redevelopments within the area, and the need to reduce the impact of blighted and under-utilized property and increase the value of existing and future developments. Acquisition of the site will also provide better leverage in relation to adjacent transportation infrastructure improvements, which include \$5 Million Dollars in Tax Increment Financing (TIF) for the Green Line MAX station, a \$1,900,000 federal Metropolitan Transportation Improvement Project grant, and PDC matching investment of \$200,000. Existing commercial tenants will be eligible for relocation benefits once PDC exercises the Purchase and Sale Agreement as required per PDC policy and Oregon State Law. The estimated relocation expenses for the Architectural Ironworks are not expected to exceed \$100,000. Architectural Ironworks is being offered continuation of their lease for up to 6 months and on a month-to-month basis thereafter, and will be eligible for relocation benefits when they vacate.

Commissioner Mohlis moved and Commissioner Andrews seconded the motion to adopt Resolution No. 6654, titled, "Authorizing the Executive Director to Acquire Property located at 9321 SE Foster Road in an Amount not to exceed \$1.2 Million in Accordance with the Adopted Lents Town Center Urban Renewal Plan, for the Purpose of Acquiring Land for Redevelopment.

AYES: Wilhoite, Andrews, Ferran, Mohlis

NAYS: None

VIII. ACQUISITION OF PROPERTY AT 10506-10512, 10520 NE HALSEY STREET IN THE GATEWAY REGIONAL CENTER URBAN RENEWAL AREA

Mr. Justin Douglas presented Report No. 139, titled, "Acquisition of Property at 10506-10512, and 10520 NE Halsey Street in the Gateway Regional Center Urban Renewal Area."

Mr. Douglas stated the action would authorize the Executive Director to purchase real property at 10506-10512, and 10520 NE Halsey Street in the Gateway Regional Center Urban Renewal Area (URA), from two private parties for up to \$4,300,000. All costs will be split 50-50 by the Portland Development Commission (PDC) and the Portland Bureau of Parks and Recreation (PPR). The purchase amount is based on appraisals conducted by Integra Realty Resources (June 17, 2008 and amended October 6, 2008), a new appraisal conducted by PGP Valuation (estimated completion date of December 3, 2008), and prior acquisition negotiations.

He said the parcels are bounded by NE Halsey Street to the north, NE 106th Avenue to the east, NE Wasco Street to the south, and NE 105th Avenue to the west. The combined parcels are approximately 4.2 acres in size and zoned Central Commercial (CX). A vacant commercial building exists on the northern parcel. Both Purchase and Sale Agreements (see Exhibits A and B to Resolution) are tied to one another, such that closing with one party is contingent upon closing with the other.

He further stated the action would support the Gateway Regional Center revitalization efforts set forth in the 2001 URA Plan. PDC staff has worked collaboratively with staff from PPR to negotiate a shared acquisition; with the common understanding the site will ultimately become a signature park with supporting redevelopment. PDC and PPR have drafted an Intergovernmental Agreement (IGA) stipulating that the agencies will share in all due diligence and acquisition costs on a 50-50 basis and will share joint title of all three parcels. Acquisition is contingent upon successful execution of the IGA. The attached resolution also authorizes the Executive Director to enter into the IGA that outlines cost sharing and responsibilities with PPR.

Upon acquisition, PDC and PPR will execute an interim management plan prior to park and redevelopment master planning. It is anticipated that master planning work will commence in 2009; ultimate park implementation and redevelopment will be subject to PDC and PPR funding and private developer interest. PDC intends to dispose of the remaining redevelopable property through a competitive solicitation process that will identify a developer to develop a commercial, residential, or mixed-use project in support of the 2001 Gateway Regional Center URA Plan.

Commissioner Ferran moved and Commissioner Andrews seconded the motion to adopt Resolution No. 6641, titled, "Authorizing the Executive Director to Enter into an Intergovernmental Agreement with the Portland Bureau of Parks and Recreation and to Acquire Property located at 10506-10512, 10520 NE Halsey Street in an Amount not to exceed \$4.3 Million in the Gateway Regional Center Urban Renewal Area."

AYES: Wilhoite, Andrews, Ferran, Mohlis

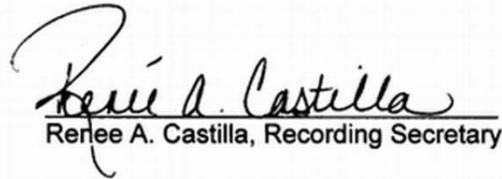
NAYS: None

IX. ADJOURN

There being no further business, Chair Wilhoite adjourned the meeting at 4:39 p.m.

Respectfully submitted,

Approved by the Portland Development Commission on January 14, 2009.



Renee A. Castilla, Recording Secretary