

*Investing in
Portland's Future*



This document constitutes the official meeting record of the September 9, 2009, 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 Scott Andrews called the meeting to order at approximately 3:03 p.m.

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

J. Scott Andrews
Commission Chair

Chair Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	ABSENT
Commissioner Charles Wilhoite	ABSENT

Bertha Ferrán
Commissioner

John C. Mohlis
Commissioner

II. MEETING MINUTES

Chair Andrews called for a motion to approve the meeting minutes of August 26, 2009.

Commissioner Mohlis and Commissioner Ferran seconded the motion to approve the meeting minutes of August 26, 2009.

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

AYES: Andrews, Ferran, Mohlis
NAYS: None

Sam Adams
Mayor

III. EXECUTIVE DIRECTORS REPORT

Mr. Bruce Warner presented his Executive Directors Report. He highlighted the following:

Bruce A. Warner
Executive Director

- As part of the dedication of the new Bill Naito Legacy Fountain in Waterfront Park, staff produced a fact sheet detailing the public/private investment taking place in the Ankeny/Burnside district. The sheet also details the tremendous investment PDC has made through the Downtown Waterfront Urban Renewal Area;
- The North/NE Economic Development Initiative work got underway officially on August 19 at the first of several public meetings at the Billy Webb Elks Lodge in North Portland. The Initiative is a large undertaking and includes an analysis of past and planned investments in N/NE and possible boundary adjustments for new investments in the Interstate and Oregon Convention Center URAs. The effort includes extensive public participation with public meetings running through March 3rd. All meetings are being taped and rebroadcast by Portland Community Media for those who can't attend. PDC is making use of new social media tools by encouraging participants to Twitter during the meetings, and the effort has its own Facebook page. All information about the effort is also available on PDC's main website under the "Future of Urban Renewal" heading;
- Expressed thanks to Commissioners Andrew and Mohlis who joined PDC for the annual City Stickers vs. Lents Rebels softball game on August 29 at Walker Stadium in Lents. This year we merged the city staff with the community



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members and played with mixed teams which was a lot of fun. This is an annual tradition in Lents and I'm pleased to report there were no major injuries;

- For the fiscal year 2008-2009, PDC's Business Finance team closed 58 loans or grants to 39 businesses in the Portland area. The dollars awarded totaled \$4,256,750, and leveraged \$13,060,074 in private investment. PDC surveys all loan clients to measure their perspectives of customer service, and the results showed a high level of satisfaction: 97 percent said their expectations were met; 100 rated staff knowledge as "high", with staff service rated nearly as high at 97 percent. In contrast to previous years, 88 percent of the clients said their projects would not have gone forward without PDC funding – a sharp increase over 2005-2008 responses;
- Housing staff closed on \$4.6 million in construction/permanent financing for the Martha Washington Apartments. The Martha Washington, located at 1115 SW 11th Ave in the South Park Blocks URA, will provide 108 affordable rental housing units for individuals with income restrictions between 30 percent and 60 percent MFI. Primary target populations will be the chronically homeless and mentally disabled. Fifty units are targeted to permanent supportive housing tenants (PSH), with associated subsidy for rent and services. The project's sponsor/developer is the Housing Authority of Portland. The project had been owned by Multnomah County until conveying it to HAP in May 2009;
- The first design hearings for the new Blanchet House of Hospitality are being scheduled for this fall. As you may remember, the siting decision for Blanchet involves a "swap" of properties; PDC will convey the "Dirty Duck Tavern" site to Blanchet and after construction of its new facility on that site, Blanchet will convey the existing Blanchet House to PDC. The project requires the demolition of the PDC-owned property and this is meeting some opposition from historical advocates. Staff will be appearing at a number of formats, including the City's Landmarks Commission, to explain the two year siting process that involved many public hearings and involvement from many stakeholders before the PDC Board came to their final decision;
- This summer, PDC Housing staff put considerable effort into the implementation of an affordable housing development in the North Macadam URA on PDC-owned Block 49. Specifically, staff explored the use of the "City Lights" bond financing tool to finance a city-owned development on that site including workforce housing and a component of housing for US veterans. In spite of some very creative and diligent efforts by staff to begin construction before winter; financial conditions have caused the effort to be "paused" to allow for further assessment of funding options and options for veterans housing by the new Portland Housing Bureau; and
- Workforce diversity among apprentice workers continues to lead diversity efforts. The total female apprentice hours represent **16.53%** of the total apprentice hours, or 4.5 percentage points ahead of the combined journey/apprentice goal of 12%, for the fiscal year. Of the apprentice hours that have been worked in this fiscal year, **29%** have been worked by people of color. These results show that encouraging the recruitment and retention of women and people of color through apprenticeship training could have a positive impact on the diversity of the construction industry. The summary table below represents the total workforce diversity (apprentice and journey level workers) for the three projects referenced above:

Goal	Women	People of Color	Apprentice	Difference
12%	5.53%			[6.47%]
18%		29.11%		+11.11%
20%			23.57%	+3.57%

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there were no public comments for items not on the agenda, Chair Andrews moved to the consent agenda.

V. CONSENT AGENDA

Chair Andrews called for a motion to adopt the consent agenda:

Resolution No. 6734, titled, "Authorize the Executive Director to enter into a Purchase and Sale Agreement with Glisan Street Developer, LLC for the Purchase of Real Property located at 9929-9999 NE Glisan Street and 618 NE 99th Avenue in the Gateway Regional Center Urban Renewal Area; not to exceed \$1,900,000."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6734.

AYES: Andrews, Ferran, Mohlis
 NAYS: None

Resolution No. 6734 will take effect thirty days from the date of its adoption due to the absence of two commissioners.

VI. APPROVE REACH COMMUNITY BUILDERS HOME REPAIR GRANT AGREEMENT FOR LENTS TOWN CENTER URBAN RENEWAL AREA

Ms. Sara Culp presented Report No. 09-106, titled, "Approve REACH Community Builders home repair grant agreement for Lents Town Center Urban Renewal Area."

Ms. Culp said PDC has provided funds to the program since 1999 for a total of \$972,088, most recently through a Grant Agreement approved by the Board in 2007 (Resolution 6485). REACH Community Builders Program has met contractual obligations and has repaired 481 homes to-date in the Lents Town Center Urban Renewal Area. REACH submits regular quarterly reports on its work and meets other milestones and deliverables as detailed in the Scope of Work for this funding. Because the previous resolution (6489, approved June 14, 2007) authorized only two years of grant funding, the Board must authorize additional funding for this program starting in the 2009/10 FY.

Ms. Culp stated the program complements other PDC housing programs and development in the Lents URA, as PDC aims to provide housing opportunities for a wide variety of needs and income levels. PDC and REACH cross-market each others' homeownership and home repair programs in Lents at community events and through referrals, and in some publications. When REACH is working with a homeowner who needs more extensive home repairs, they refer them to the PDC Home Repair Loan and other resources. REACH Community Builders is the organizer of the annual Paint and Repair-a-thon event, which has provided more significant house painting, external repairs, and debris clean-up for homes in Lents and citywide for 15

years. PDC is a partner in this event. In 2008, REACH volunteers painted their 200th home, which was in the Lents Town Center URA. For the 2009 event, all 22 homes painted and repaired in one day were in the Lents Town Center URA.

Ms. Culp further stated the action authorizes the PDC Executive Director to enter into a Grant Agreement with REACH Community Development to provide \$125,000 in TIF funds for the REACH Community Builders Program in the Lents Town Center Urban Renewal Area, which provides home repairs to low-income and disabled seniors. The action will ensure continuation of this successful program for Fiscal Year 2009-10 so that REACH may meet more of the demand for home repairs from qualified homeowners in Lents.

Ms. Anastatia Howard, REACH, expressed her thanks to the Board for the ongoing support of the organization and its efforts.

Chair Andrews called for a motion to adopt Resolution No. 6735, titled, "Authorizing a Grant Agreement with Reach Community Development, Inc. for the Community Builders Program in an Amount not to exceed \$125,000 for the Repair of Homes for Low-Income and Disabled Seniors in the Lents Town Center Urban Renewal Area."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6735.

AYES: Andrews, Ferran, Mohlis
NAYS: None

Resolution No. 6735 will take effect thirty days from the date of its adoption due to the absence of two commissioners.

VII. ACQUISITION OF REAL PROPERTY AT 5716 SE 92ND AVE. IN THE LENTS TOWN CENTER URA

Ms. Amy Miller Dowell presented Report No. 09-107, titled, "Acquisition of Real Property at 5716 SE 92nd Ave."

Ms. Miller Dowell stated the action would authorize the Portland Development Commission (PDC) to acquire the real property and improvements located at 5716 SE 92nd Avenue (the Property), comprised of three lots in the middle of the Lents Town Center, from property owner Lents Town LLC., for the purchase price of \$2,100,000. The Property is located on the east side of SE 92nd Avenue, two blocks south of SE Foster Road and bounded by the PDC-owned SE 92nd Avenue and SE Harold site, Interstate 205, and SE Ramona Street (see the Project Summary on Attachment B). The Property consists of three parcels that total 1.32 acre in size. The site contains an existing retail-warehouse building with 33,133 square feet of gross building area, 25,568 square feet of gross leasable area, and asphalt parking that can accommodate 41 automobiles. The zoning code designation for the Property is Central Employment with a design overlay (EXd).

Ms. Miller Dowell stated acquiring 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. Revitalizing the Lents Town Center has been a high priority for the community since the adoption of the Outer Southeast Community Plan and the inception of the Lents Town Center Urban Renewal Area (URA) in 1998. The Property occupies a key location along SE 92nd Street and is adjacent to PDC's SE 92nd Avenue and SE Harold Street mixed-use redevelopment project (the 92/H Project). The 92/H Project is currently in the initial phase of the

planning and community input stage and was presented to the PDC Board of Commissioners (the Board) at the August 12, 2009, Board meeting as an informational item. The 92/H Project is adjacent to the MAX Green line and transit station (see Attachment B) and is envisioned to be a three and one-half acre mixed-use redevelopment that will serve as an important catalyst for the Lents Town Center.

Chair Andrews called for a motion to adopt Resolution No. 6736, titled, "Authorizing the Executive Director to Acquire Property located at 5716 SE 92nd Avenue for a Purchase Price not to exceed \$2.1 Million, in Accordance with the Adopted Lents Town Center Urban Renewal Plan, for the Purpose of Redevelopment."

Commissioner Mohlis moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6736.

AYES: Andrews, Ferran, Mohlis
NAYS: None

Resolution No. 6736 will take effect thirty days from the date of its adoption due to the absence of two commissioners.

VIII. DOWNTOWN RETAIL STRATEGY UPDATE

Mr. Steven Shain presented Report No. 09-108, titled, "2009 Portland Downtown Retail Strategy Briefing."

Mr. Shain stated in October 2008, Mayor Adams convened the Downtown Vision Task Force to define a signature retail concept for the Downtown Retail Core, an area bounded by 2nd and 12th Avenues and Washington and Salmon Streets. The Mayor directed the Task Force to focus initial efforts on a signature street or streets, thereby creating a retail center for the city that will draw residents and visitors downtown. The Task Force was also charged with identifying transformative development opportunities that will:

- Strengthen the signature streets;
- Connect the various districts that comprise downtown; and
- Stimulate downtown as an overall economic generator.

Mr. Shain said during the visioning process, the Task Force divided into two subcommittees that were charged with building a plan from the recommendations and best practices outlined in Leland Consulting Group's *Action Items in Support of the Downtown Portland Signature Retail Vision* (2009). The purpose of forming the subcommittees was also to build support for the resulting vision among those charged with adopting and implementing the plan recommendations. Throughout the subcommittee process, members of the Task Force built consensus and ownership for each of the core recommendations within the Retail Strategy:

1. Morrison and Yamhill as the signature streets within the Retail Core;
2. Designate Establish a Retail Overlay District;
3. Create a unified identity and an effective marketing strategy for the district; and
4. Employ a set of tactical tools to implement the retail spine.

The recommended actions of the 2009 Retail Strategy were built on the *2002 Downtown Portland Retail Strategy* and the *2007 Downtown Portland Retail Strategy Update*, and were also based on two bodies of research completed by Leland Consulting Group between 2007 and 2009.

Mr. Shain stated Leland Consulting Group was first retained by PDC in 2007 to provide a set of data and research findings that would help further guide the actions of the 2007 Strategy Update. The study found that downtown retail was relatively healthy due to factors such as favorable retail sales of downtown stores for national retailers, competitive retail lease rates, a low overall vacancy rate, and other factors such as transit accessibility, open space, and other pedestrian amenities. That said, the message in 2007 and early 2008 was that for as many factors that made downtown retail successful there were just as many that pointed to its vulnerability. These included the presence of transients and aggressive panhandlers, lack of continuity in key retail areas, and stiff competition from suburban lifestyle centers and shopping malls that were, at the time of this study, achieving higher retail sales per square foot than Central City shopping centers. At the advent of Mayor Adams' term of office in 2009, Leland Consulting Group was asked to build on their previous work and conduct case studies of five exceptional retail districts and to develop a set of recommendations for how principles derived from these successful retail districts could be applied to Portland. By looking at districts in Pasadena, California; Seattle, Washington; Vancouver, British Columbia; Chicago, Illinois; and Boston, Massachusetts, a set of common success factors of these signature retail districts were identified and applied to Portland. These success factors helped guide the Task Force's formation of the 2009 *Portland Downtown Retail Strategy*.

Mr. Shain further stated the Retail Strategy will provide guidance to PDC in the expenditure of existing Central City Urban Renewal Area (URA) funds, on the discussion related to the formation of a new Central City URA task force, and on implementation of the City of Portland's Economic Development Strategy.

Ms. Cori Jacobs, Downtown Retail Advocate, stated the Retail Core plays a significant economic role for the Central City and for the City of Portland. Its success relates to the retention of existing businesses and recruitment of new businesses, the retention and growth of a significant office market in downtown, and the tourism market.

Chair Andrews expressed his thanks to PDC staff for their hard work and stated although he has heard the presentation previously, he thought it was important his fellow commissioners understand the ongoing process.

Chair Andrews also reminded the audience of the opening of the TriMet Green Line and the celebrations that will occur in along the downtown rail line.

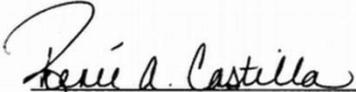
Commissioner Mohlis said he would be out in Clackamas County where there will be celebrations along that portion of the light rail line as well.

IX. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 4:20 p.m.

Respectfully submitted,

Approved by the Portland Development Commission on September 23, 2009.



Renee A. Castilla, Recording Secretary