

Investing in  
Portland's Future



This document constitutes the official meeting record of the August 26, 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 7:59 a.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	PRESENT
Commissioner Charles Wilhoite	ABSENT

Bertha Ferrán  
Commissioner

John C. Mohlis  
Commissioner

Steven Straus  
Commissioner

Chair Andrews stated he met with a contingent of media from China and answered many questions about PDC. In addition, he stated he attended and spoke at the kick-off of the Denver streetscape in Kenton and said it would a great project.

Charles A. Wilhoite  
Commissioner

II. EXECUTIVE DIRECTORS REPORT

Mr. Bruce Warner stated he attended the Bill Naito Legacy Fountain Dedication where Commissioner Fish and others took part in the dedication which is also the new home for the Saturday Market. He said the park and fountain are just some of the many improvements to the area; others include: Mercy Corp World Headquarters which has a grand opening set for October 9, 2009; improvements to the underside of the Burnside Bridge including new lighting and retail space; and the White Stag Building remodel and improvise (home to University of Oregon). He said future improvements include Ankeny Burnside restrooms which are under design as well as the possible redevelopment of the Grove Hotel for the Oregon College of Oriental Medicine.

Sam Adams  
Mayor

Bruce A. Warner  
Executive Director

III. MEETING MINUTES

Chair Andrews called for a motion to approve the meeting minutes of July 22, 2009 and August 12, 2009.

Commissioner Ferran moved and Commissioner Straus seconded the motion to approve the meeting minutes as submitted.



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222 Northwest  
Fifth Avenue  
Portland, OR  
97209-3859

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

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:

tel: 503.823.3200  
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Resolution No. 6728, titled, "Appoint Mr. Larry Richards to the North Macadam Urban Renewal Advisory Committee."

Resolution No. 6729, titled, "Issuing Final Order in the Verizon Wireless, LLC Relocation Benefits Appeal Providing a Relocation Payment in the Amount of \$118,839.23."

Resolution No. 6730, titled, "Authorizing an Increase in Funding by \$159,410 for the Intergovernmental Agreement with the Bureau of Parks and Recreation for the Waterfront Park, Ankeny Plaza, and Street Improvements Project in the Downtown Waterfront Urban Renewal Area."

Resolution No. 6731, titled, "Termination of Existing Limited Tax Exemptions for Single Family New Construction and Related Show Cause Hearings."

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

Chair Andrews asked the audience if there was anyone to show cause regarding on the termination of existing limited tax exemptions for single family new construction. As there were none, Chair Andrews moved to the next item on the agenda.

VI. PURCHASE AND SALES AGREEMENT WITH GLISAN STREET DEVELOPER, LLC FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 9929-9999 NE GLISAN STREET AND 618 NE 99<sup>TH</sup> AVE IN THE GATEWAY REGIONAL CENTER URBAN RENEWAL AREA

Mr. Karl Dinkelspiel and Mr. Komi Kalevor presented Report No. 09-101, titled, "Purchase and Sales Agreement with Glisan Street Developer, LLC for the Purchase of Real Property Located at 9929-9999 NE Glisan Street and 618 NE 99<sup>th</sup> Ave in the Gateway Regional Center Urban Renewal Area."

Mr. Komi Kalevor stated the action would authorize the Executive Director to enter into a purchase and sale agreement (Agreement) for \$1,900,000 with Glisan Street Developer, LLC (GSD) for the acquisition of real property in the Gateway Regional Center Urban Renewal Area (URA). The Agreement will be to purchase three parcels: 9929 NE Glisan St., 9999 NE Glisan St. and 618 NE 99<sup>th</sup> Ave (Property), approximately 1.5 acres in total area.

Mr. Karl Dinkelspiel said acquisition of the properties provides PDC the opportunity to fulfill a number of housing and redevelopment goals for the URA. The property is zoned RX (central residential) and is in Portland's Gateway Plan District that allows for a maximum density of 6:1 FAR, and a maximum height of 120 feet. The property is less than ½ mile from the MAX Gateway Transit Center, making the site a prime opportunity for the kind of transit-oriented development (TOD) that allows residents to live car-free and for workers to utilize public transit for commuting. An investment in significant development on this site would complement PDC's investment in the Gateway Transit Center redevelopment and would provide much-needed revitalization along NE Glisan Street.

Mr. Dinkelspiel stated the funds for the acquisition at a price up to \$1,900,000 are budgeted and available in the Gateway Regional Center URA budget for FY 09/10. Expenditure of these funds would deplete approximately two-thirds of the URA's housing funding for the year. In the fiscal years 10/11 and 11/12, the URA currently has a forecast budget for rental housing development of \$3.5M. It is anticipated these funds would be used to assist in the redevelopment of the property and further property assembly.

Chair Andrews stated the project has the full support of the Housing Bureau of Portland. He also stated there are funds in the budget available for the purchase. He confirmed with staff the purchase price was for fair market value as confirmed in an appraisal dated April 2009.

Mr. John Charles, President of Cascade Policy Institute, expressed concern regarding the purchase of the property. He stated his research concludes that Transit Oriented Development projects in the Gateway area are failing.

Chair Andrews called for a motion to adopt Resolution No. 6732, 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 St. and 618 NE 99<sup>th</sup> Ave. 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. 6732.

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

VII. AUTHORIZATION TO ENTER INTO INTERGOVERNMENTAL AGREEMENT WITH PORTLAND PARKS AND RECREATION FOR THE DESIGN OF THE FIELDS NEIGHBORHOOD PARK

Mr. Eric Jacobson presented Report No. 09-102, titled, "Authorization to Enter into Intergovernmental Agreement with Portland Parks and Recreation for the Design of the Fields Neighborhood Park."

Mr. Jacobson stated the action would authorize the Executive Director to execute an Intergovernmental Agreement (IGA) between the Portland Development Commission (PDC) and Portland Parks & Recreation (PP&R) for the design of The Fields Neighborhood Park (the Park). The planned 3.3 acre park is located in the Pearl District, north of NW Overton Street between NW 10<sup>th</sup> and NW 11<sup>th</sup> Avenues. This IGA will provide up to \$593,586 to PP&R to finalize the design and prepare construction documents for the Park including the following design elements for fiscal years 2009-10 and 2010-11:

FY 09-10 FY 10-11 Total

Schematic Design/Design Development \$318,193 \$ 0 \$318,193

Construction Documents/Permits \$ 44,739 \$230,654 \$275,393

Total \$362,932 \$230,654 \$593,586

Mr. Jacobson stated PDC previously provided \$179,749 to PP&R to prepare a Concept Plan for the Park under a prior Interagency Agreement Work Order. The Concept Plan was completed in 2007. The IGA includes funds to assess and refine the Park design as it relates to the bridge connection between the Park and the Centennial Mills site. The refinement will include coordinating with Centennial Mills developers and project stakeholders regarding bridge take off/landing points and horizontal and vertical alignments to ensure the Park and Centennial Mills designs are compatible. Design and construction of the bridge is not included in the IGA and will be funded separately by PDC. Mr. Jacobson further stated the IGA does not include funding for construction or construction management. PDC and PP&R will enter into a new agreement for the construction of the Park, which will require PDC Board of Commissioners (Board) approval.

Ms. Tiffany Sweitzer representing Hoyt Street Properties stated the City of Portland and Hoyt Street Properties (HSP) entered into an agreement development on March 2, 1999 which called for the acquisition of Hoyt Street Properties owned land for the development of the Park. She said they are in support of the park and design; however, expressed concern regarding the Portland Parks and Recreation's timeline for construction of the Park. She hoped once the approval was given and design completed; the timeline for the construction could start immediately.

Mr. George Lozovoy representing Portland Parks and Recreation stated they are anticipating and hopeful the construction of the park can begin much sooner than previously stated. In addition, he stated planning for the design and construction of the Park has involved a Citizen Advisory Committee (CAC) and numerous public involvement opportunities, including presentations, open houses, workshops, and questionnaires. The process has been managed by PP&R in coordination with PDC. Feedback from this committee has helped shape the Park design and programming. PP&R and PDC will continue to involve the CAC in this next phase of work to refine the Concept Plan and complete schematic design. Further, PP&R staff and design team will also make an informational presentation to the Design Commission as part of this next phase of work.

Commissioner Straus asked for further breakout of the components of the project and how many dollars would be spent locally.

Mr. Lozovoy replied through the design phase the breakout is approximately 60% out of state with 40% spent locally. However, he said the construction phase would have a much higher local component.

Commissioner Straus asked if the Park was going to include sustainability features.

Mr. Lozovoy replied the park design includes many elements of green infrastructure.

Commissioner Straus spoke briefly about cost overruns and the quality control process and suggested since PDC is paying for the full cost of construction, it would be wise to have a third party objectively handle the quality control process.

Commissioner Mohlis stated he was also in favor of moving the project's timeline forward and agreed that measures needed to be in place to prevent cost overruns.

Commissioner Ferran cautioned it was important to move forward in a fiscally prudent matter.

Chair Andrews called for a motion to adopt Resolution No. 6733, titled, "Authorizing an Intergovernmental Agreement with Portland Parks & Recreation for the Design of the Fields Neighborhood Park in the River District Urban Renewal Area; Providing Funding in an Amount not to Exceed \$593,586."

Commissioner Mohlis moved and Commission Ferran seconded the motion to adopt Resolution No. 6733.

AYES: Andrews, Ferran, Mohlis, Straus

NAYS: None

#### VIII. UPDATE ON POTENTIAL CENTRAL CITY URBAN RENEWAL STUDY

Ms. Erin Flynn, Mr. John Jackley, Mr. Peter Englander presented Report No. 09-103, titled, "Update on Potential Central City Urban Renewal Study."

Mr. John Jackley stated on May 23, 2007, the Board approved Resolution No. 6474 initiating a study of all eleven URAs over time. The effort is known as the Future of Urban Renewal. To date, studies have been performed on Central Eastside, Downtown Waterfront, South Park Blocks, River District, and Lents Town Center URAs. Amendments have been approved for all five districts based on the results of three studies. Current Future of Urban Renewal projects include the Potential Central City Urban Renewal Area Study, as well as the N/NE Economic Development Initiative. The objective of the Potential Central City Urban Renewal Area Study is to develop recommendations to City Council and the PDC Board whether to form a new URA, the priorities, key goals, boundaries and maximum indebtedness in the west central city area.

Mr. Jackley stated he would briefly discuss the Central City Urban Renewal Study and its Relation to North/Northeast Study and Rose Quarter/Coliseum framework; Erin Flynn would briefly discuss its Connection to Economic Development Strategy; Peter Englander would provide a brief Potential Central City Urban Renewal Area overview; and consultant John Capogna would discuss Westside Study Area Diagnostics.

Mr. Jackley stated currently, the City of Portland has 655 acres remaining that can be put into a URA. This is based on a statutory limit of 15% of the total citywide acreage (ORS 457.420(2)(a)(B)). There is also a 15% limit of total citywide assessed value that can be within URAs at one time (ORS 457.420(2)(a)(A)). These constraints will affect the ways in which the Committee selects the areas to be included in a new URA, if they decide one should be created. In addition, the PDC Board has identified the N/NE Economic Development Initiative as one of its top priorities. Therefore, PDC staff has identified the need to reserve over 200 acres and \$200 million dollars of assessed value of the citywide limits for potential amendments to the Interstate Corridor and Oregon Convention Center URAs.

Mr. Jackley briefly described the timeline described below:

	Sep 2009	Oct	Nov	Dec	Jan 2010	Feb	Mar	Apr	May	Jun	Jul
Central City						<b>Evaluation Committee Report</b>					
North/Northeast							<b>Advisory Committee Report</b>				
Rose Quarter/Coliseum							<b>Coliseum Proposal Selected - Spring 2010</b>	<b>Rose Quarter Development Strategy Completed – Fall 2010</b>			

Ms. Erin Flynn stated creation of new Central City URA is critical to successful implementation of Economic Development Strategy. In addition, urban core innovation and Central City job creation are key thrusts of the Economic Development Strategy. Further she stated core Action Items of the Strategy reside in proposed Central City URA and are TIF-eligible.

Ms. Flynn said the Economic Development Strategy includes the following Central City themes:

- Sustainability/Built Environment

- Oregon Sustainability Center/Living Building
- Eco-Districts
- Higher Education Partnerships
  - PSU Economic Development Framework Plan
- Job Creation
  - Catalytic redevelopment sites viewed as employment sites
  - Business recruitment tool

Ms. Flynn further stated evaluation committee:

- Consists of the 25 members appointed by Mayor Adams;
- Formed in May, 2009;
- Anticipate recommendation by February, 2010;
- Making recommendations on:
  - Whether or not to create a new district
  - Boundaries
  - Maximum Indebtedness
  - Goals and Project Priorities

Mr. Peter Englander stated the Central City Urban Renewal Study area consists of four areas:

- Northwest
- Goose Hollow
- North of Market
- South of Market

Mr. Englander further stated to date, the Committee has met five times. They have received briefings on housing, economic development, and public infrastructure needs, as well the goals of Multnomah County and Portland Public Schools. They have also recently discussed Study Area Diagnostics. Mayor Adams requested that staff create a baseline analysis of the current conditions of the study area. Staff collected data to represent the current demographics, state of the economy, health, and more. Over the next few months, the Committee will enter into a discussion of geography. They will hear from a variety of stakeholders on important issues in each of the four subdistricts: Northwest, Goose Hollow, North of Market, and South of Market/PSU. The Committee hopes to submit a report to the PDC Board by the end of the year. This report would include recommendations on whether or not to form a district in the Central City, and if so, recommendation on URA boundaries and maximum indebtedness. The public will have numerous opportunities to engage in discussion with the Committee as well as present their own ideas through public testimony at the Committee meetings and through two community workshops. PDC's Public Participation staff will work with the Bureau of Planning and Sustainability to hold these workshops in late September/October, 2009.

Mr. John Capogna representing EcoNorthwest presented a brief explanation of Westside Study Area Diagnostics. He said they were contracted to in May 2009 to develop the financial characteristics of the area and outline development potential. He said he would provide an objective snapshot of the socio-economic characteristics of the area's residents and users. (Attachment A).

Chair Andrews expressed his thanks to staff and to Mr. Capogna for their hard work.

Commissioner Mohlis stated it was good to see the increased focus on education in the research.

Commissioner Ferran encouraged people to be part of the process. In addition, she encouraged staff to do what they could to increase ethnic diversity in this part of the city.

Ms. Erin Flynn stated there is a separate committee for education in the area convened by Mayor Adams. She said ultimately the efforts of both committees need to be linked in order to integrate the Economic Development Strategy and the K-12 education work.

Commissioner Ferran stated it was a good opportunity to learn what is being done in other cities across the country.

Mr. Englander stated both education and diversity is very important and is a high priority if the study committee.

Chair Andrews expressed his thanks to PDC staff, members of the Mayor's office, the consultants and Commissioner Straus for all of their hard work.

Commissioner Straus said he would like to see the focus remain on sustainable jobs and was appreciative of Multnomah County Commissioner Ted Wheeler and City of Portland Mayor Sam Adams cooperation. He said he is looking forward to the geographic presentations by staff and further suggested incorporating themes for each of the geographic areas, i.e., Wall Street; the Garden District, etc.

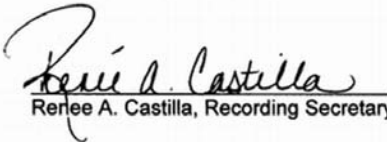
Chair Andrews commented in order to have a strong regional economy you first must have a strong urban center.

IX. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 9:51 a.m.

Respectfully submitted,

**Approved by the Portland Development Commission on September 9, 2009.**



Relee A. Castilla, Recording Secretary