

This document constitutes the official meeting record of the April 14, 2010, 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 3:04 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	PRESENT
Commissioner Charles Wilhoite	PRESENT

Bertha Ferrán
Commissioner

John C. Mohlis
Commissioner

II. MEETING MINUTES

Chair Andrews called for a motion to adopt the meeting minutes of March 10, 2010 and March 31, 2010.

Steven Straus
Commissioner

Commissioner Wilhoite moved and Commissioner Ferran seconded the motion to adopt the meeting minutes of March 10, 2010 and March 31, 2010.

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

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

Bruce A. Warner
Executive Director

III. EXECUTIVE DIRECTOR REPORT

Executive Director Bruce Warner presented Report No. 10-30, titled, "Executive Director Report". He highlighted the following:

- PDC works closely with our regional partners to help relocation and expansion projects, in the city or metro area, come to fruition. Several such projects, in the works for the past year or longer, have moved forward recently, among them Entrix, an environmental management consulting firm located in Vancouver which has opened a new downtown Portland office and is interested in partnering with PDC on cluster development; Plas2Fuel, a relocation from Kelso, WA to a facility in Tigard for the manufacture of plastics into fuel; and Abundant Renewable/Cascade Wind, a manufacturer of commercial scale wind turbines expanding to Wilsonville from Newburg.
- A project in the Interstate URA which we've been nurturing for three years will move into the construction phase in the next month, thanks to a PDC loan and grant package approved in March. The June Key Delta Community Center is not just an improvement to a blighted space; it's a new facility – the transformation of a former gas station located at 5940 North Albina Avenue (near Peninsula Park) into a community center providing outreach services and programs to a broad range of residents. The project has been championed for years by the Portland chapter of Delta Sigma Theta sorority, a predominantly African-American



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women's organization committed to education and public service. The sorority will augment its own investment in the estimated \$900,000 construction costs with PDC's Commercial Property Redevelopment loan and Storefront Improvement and Community Livability grants to renovate and expand the existing building into a community center with a meeting hall, display space, kitchen and accessible rest rooms. The building will be a contender for the Living Building Challenge by generating its own renewable energy, using solar panels, using rainwater for toilets and by diverting rainwater to bioswales.

- Kenton residents and businesses celebrated the completion of Phase I streetscape improvements in March. This including construction of wider, patterned sidewalks, the planting of new "business-friendly" trees (selected in part because of their light and airy leaf structure and less invasive root system to minimize impacts to sidewalks and pavers), a pedestrian street lighting system, stormwater planter boxes, and the installation of seven carved stone benches – all created by local artist Mauricio Saldana. Paul Bunyan, the giant statue which stands at the intersection of N. Denver and Interstate Avenues, recently received new paint and restoration due to the advocacy of the Kenton Neighborhood Association – which obtained a PDC Community Livability Grant for the project. Phase II of the project, high-quality concrete street surface improvements along Denver Avenue, will take place this fall. The neighborhood is also gearing up for the first Kenton Street Fair, to be held Saturday, May 22 along N. Denver between N. Watts and N. Interstate. PDC will have a booth at the Fair.
- PDC staff has introduced the first Small Business Quarterly Report, which highlights the city's recent work with small business. Since last summer's roll-out of the city's economic development strategy and subsequent Small Business Town Hall, the city and PDC have worked actively to support the small business community and deliver on the goals outlined in the strategy. Our support of entrepreneurial development, whether in high tech or high fashion; the launch of the nationally-proven Main Street program; and the loans and grants we provide to help businesses grow and remain competitive, exemplify PDC's continued and expanded support of small business.
- In March, PDC and PHB concluded a request for proposals process for the Interstate URA Home Repair and Homeowner Retention Program. The RFP review committee, which included both staff and Interstate residents, recommended Community Energy Project be awarded the one-year, \$100,000 contract. With this funding, Community Energy Project will be identifying and reaching out to low-income, at-risk homeowners in need of physical repairs to their homes. In conjunction with the repair services, Community Energy Project will work with homeowners to identify displacement risks and connect the homeowners to existing community programs that will help address issues such as unpaid taxes, title problems, and estate planning. Homeowners will also receive information on PHB programs and education on how to avoid predatory lending. Community Energy Project is a North/Northeast based non-profit that has been providing homeowner training, repairs, and weatherization since 1987.
- **PDC.us redesign:** We are collecting and organizing content for the redesigned web site.
- Apprentice participation was up this month for both The Matisse and Mirabella projects. Female apprentice hours for this month were **19.08%** of the total apprentice hours. Also,

36.16% of apprentice hours have been worked by people of color. These numbers have remained fairly consistent over the last couple of months, and that is encouraging, given the slowdown in work being performed at South Waterfront.

Overall, participation by people of color continues to well exceed the established goal of 18%. Participation by women however, continues to struggle to meet the 12% goal, but participation is up this month. The SW Park Improvement project is essentially complete. The parks project exceeded the minority participation goal, with over 50% of total hours being worked by minorities. As with all of the projects in South Waterfront, female participation fell short of 12% goal. This report includes workforce hours for February 2010, and the 2009/2010 fiscal year to date. 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%	6.95%			[5.05%]
18%		28.12%		+10.12%
20%			23.78%	+3.78%

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 approve the consent agenda:

Resolution No. 6781, titled, "Request the Portland City Council to Issue Bonds to Finance and Refinance Urban Renewal Projects in the North Macadam Urban Renewal Area."

Resolution No. 6782, titled, "Approval of First Amendment to Commercial Lease of Certain PDC-Leased Premises at 208 NW Fifth Ave."

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt Resolution Numbers 6781 and 6782.

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

VI. UPSHUR APARTMENTS

Mr. Komi Kalevor presented Report No. 10-33, titled, "Sale of PDC-owned property located at 2650 NW Upshur Street to a Northwest Housing Alternatives (NHA) Controlled Entity."

Mr. Kalevor stated the action authorizes the sale of PDC-owned property located at 2650 NW Upshur ("Property") to an entity controlled by Northwest Housing Alternatives ("NHA") for \$50,000. The sale will enable an NHA controlled entity to obtain rehabilitation and permanent

financing necessary for the preservation of the affordable housing project located on the Property. An NHA controlled entity currently leases the Property from PDC under a long term lease that expires in 2040 and that provides for nominal lease payments to PDC of \$2,500 per year. NHA had originally requested a 70-year extension of the remaining lease term to 2110. Rather than extend the lease term, PDC proposed to sell the Property to avoid the risks of continued long-term ownership of property effectively controlled by another entity and with respect to which PDC would receive only nominal annual lease payments. The Property is not located in an urban renewal area.

Mr. Kalevor said PDC will receive \$50,000 for the sale of the property, which equates to the present value of the existing annual lease payment of \$2,500 per year over a term of 100 years. The City of Portland Assessor's office estimated the real market value of the land at \$1,069,900 as of March 22, 2010, which does not account for the existing 30 year lease term and rent restrictions. Since this property was purchased and held in the Housing and Community Development Contract Fund, all proceeds from the sale will be returned as program income to the Bureau of Housing.

Commissioner Wilhoite stated the action will eliminate the opportunity for PDC to redevelop the site for a different use at the expiration of the existing lease period. Given the fact that the site is outside of a URA and there is no PDC funding source available to assist with potential redevelopment of this site in the future, the risk is considered low. In addition, the sale of the property preserves affordable housing.

Chair Andrews called for a motion to adopt Resolution No. 6783, titled, "Authorizing the Sale of PDC-owned Property Located at 2650 NW Upshur Street for \$50,000 to a Northwest Housing Alternatives Controlled Entity to Facilitate the Preservation of an Affordable Housing Project."

Commissioner Ferran moved and Commissioner Wilhoite seconded the motion to adopt Resolution No. 6783.

AYES: Andrews, Ferran, Mohlis, Straus, Wilhoite

NAYS: None

VII. REVISED STOREFRONT IMPROVEMENT PROGRAM

Ms. Erin Flynn and Ms. Dana DeKlyen presented Report No. 10-34, titled, "Adopt Revised Storefront Improvement Program Guidelines".

Ms. Erin Flynn stated The City of Portland's Economic Development Strategy calls for a "*Vibrant Central City*" as well as "*Building the Sustainable Economy*" citywide. These changes support the following objectives:

- Objective 2.2: "enhance the vitality and distinctiveness of the Central City to showcase our sustainable way of life and attract creative talent, and capturing job growth in Central City neighborhood"; and
- Objective 3: provide "continued and expanded support for neighborhood serving businesses is required for Portland to achieve its vision of 20 minute neighborhood, where residents have easy access to goods and services."

PDC's Strategic Plan 2010 focuses around five goals, and three of them are supported by the Storefront Program:

- *Sustainability and Social Equity* goal continues to demonstrate PDC's leadership in promoting sustainability as well as investment for disadvantaged businesses and communities. The Storefront Program expands access to income and wealth-building opportunities.
- *Healthy Neighborhoods* goal focuses investment in urban renewal areas (URAs) and throughout the City to transform our communities in unique ways. The Storefront Program invests in projects that help stimulate additional public and private investment in Portland's commercial districts.
- *Vibrant Central City* goal focuses PDC's resources on the Central City by attracting public and private investment and developing key projects that showcase the Central City's livability and unique urban experience.

Additionally, the 2009 *Portland Downtown Retail Strategy*, endorsed by the PDC Board of Commissioners (Board) on January 27, 2010 (Resolution No.6768), responds to the recognition that a strong vibrant downtown retail core is the cornerstone for a strong regional economy. Changes to the Storefront Program are in direct response to this Retail Strategy.

Ms. DeKlyen stated the action would adopt revised guidelines for the Storefront Improvement Program (Storefront Program) to enhance the Portland Development Commission's (PDC's) ability to support property and business owners in revitalizing commercial façades. These revisions will help strengthen the linkage between the objectives indicated in the Economic Development Strategy and those in the newly adopted Strategic Plan 2010. Some of the Storefront Program changes are targeted to enhance the Central City by applying to the 2009 *Portland Downtown Retail Strategy* (Retail Strategy) core boundaries, while others increase access to investment along commercial districts throughout the city. The primary changes in the proposed guidelines are as follows:

1. Increase the maximum amount of permissible Storefront Grants in the downtown retail core from \$20,000 to \$100,000.
2. Provide limited exemptions from the general prohibition on granting funds to national for-profit corporations and national franchises.
3. Increasing the maximum number of hours of free architectural services that can be made available under the program.
4. Expressly permitting certain types of sustainability improvements as approved work under the Program.
5. Change the selection process from first come-first serve, to an award process based on an evaluation of the grants likely positive impact on program goals.
6. The adoption of these guidelines will replace the existing guidelines that were scheduled to expire on June 30, 2010, and the previous guidelines that were otherwise scheduled to take effect July 1, 2010.

Ms. DeKlyen further stated the changes will provide the following public benefits:

- allow more properties and business owners to take advantage of the Storefront Program by expanding access;
- provide an incentive to attract desired businesses to locate in the retail core and improve the downtown retail environment;
- continue to enhance commercial districts while keeping contactors and architects working even during a depressed economy; and

- strengthen the City of Portland's role as the sustainability leader in environmentally responsible community development, by funding items such as bio-swales and semi-permeable pavers.

Chair Andrews asked staff to explain how the funds would be allocated given the extension of the 75% match.

Ms. DeKlyen replied staff would be working strategically with applicants to determine the best use of the funds.

Commissioner Ferran stated she understands the reasons the extension of the match is important, however, she reminded staff as the economy improves it would be important to reevaluate the program.

Commissioner Straus directed staff to use more sustainable requirements; i.e. using Metro recycled paint on projects.

Chair Andrews called for a motion to adopt Resolution No. 6784, titled, "Adopt Revised Financial Assistance Guidelines for the Storefront Improvement Program".

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

VIII. PORTLAND-MILWAUKIE LIGHT RAIL CONCEPTUAL DESIGN BRIEFING

Ms. Trang Lam (PDC) and Mr. David Unsworth (TriMet) presented Report No. 10-35, titled, "Portland-Milwaukie Light Rail Conceptual Design Report Briefing."

Ms. Trang Lam stated the purpose of this report is to provide a briefing to the Portland Development Commission (PDC) Board of Commissioners (Board) on the TriMet Portland-Milwaukie Light Rail (PMLR) Conceptual Design Report (CDR) and key issues prior to TriMet entering into final design work this October. A copy of the CDR is included as Attachment A.

As part of the Portland City Council's adoption of a locally preferred alternative for the project, Council required TriMet to prepare the CDR in collaboration with the Portland Office of Transportation (PBOT), and for it to be reviewed by the Portland Design Commission, Planning Commission, PDC Board, and City Council prior to completion of the preliminary engineering phase of the project. The CDR provides the following primary purposes:

- Present the current conceptual design of project elements such as major structures, stations, pedestrian and bike connections, and terminus points, and provide an overview of the urban design vision, public process, and key outstanding issues.
- Further engage the public in discussions about the project's current design and issues yet to be resolved.
- Guide policymakers and technical staff through the final design phase of the project.
- Identify future projects, development opportunities, and processes that influence the final design of the project.

Ms. Lam said PDC staff has been working closely with TriMet and the City, as the PMLR alignment travels through the South Park Blocks (SPB), North Macadam (N Mac), and Central Eastside (CES) Urban Renewal Areas (URAs), with two (2) light rail stations in N Mac and one (1) station in the CES. Alignment and stations are shown in the map on Attachment B. The new multi-model Willamette River Bridge for light rail, streetcar, bicyclists, and pedestrians will connect N Mac and CES. In addition, the CDR highlights key impacts and issues for further discussion and resolution in both URAs:

- An elevated structure that crosses over SW Harbor Drive through potential future development sites and near PDC owned RiverPlace parcels;
- West side connectivity including bridge to greenway connections in N Mac (North District) and in coordination with reconstruction of SW Moody Avenue;
- East side connectivity including greenway connections and the realignment of SE Water Avenue; and
- The Clinton Station area, including pedestrian/bicycle connectivity to the river and downtown, and future redevelopment opportunities.

PMLR estimated project cost is \$1,417.6 million. On February 24, 2010, by Ordinance No. 183554, City Council authorized a City Intergovernmental Grant Agreement (IGA) with TriMet for City of Portland local match financial contributions of \$30 million to help fund the PMLR final design and construction. This commitment included \$10 million of tax increment financing (TIF), which is in the N Mac URA requested budget for FY 2012-2013 (included as Attachment C). On April 28, 2010, Board action will be requested to approve a PDC IGA with PBOT to provide the \$10 million TIF funding as part of the City of Portland's local match.

Mr. David Unsworth stated the Portland-Milwaukie Light Rail Project (PMLR); 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 1990s and was examined as part of the South/North Transit Corridor Project that evaluated light rail alignment options from Clackamas Town Center to Milwaukie to 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 in 2003. In July 2008, the current LPA alignment was adopted. The alignment consists of a new 7.3-mile light rail line and ten (10) stations along the line in Portland, Milwaukie, and Clackamas County, and up to 1,400 Park & Ride spaces, and will carry an estimated 27,400 daily trips by 2030. The PMLR alignment travels through the SPB, N Mac, and CES URAs, with light rail stations at SW Lincoln/SW 4th Avenue; South Waterfront/SW Moody Avenue (adjacent to the proposed Life Sciences Center, a partner project of Oregon Health & Science University (OHSU), Portland State University (PSU), and Oregon State University); and at Oregon Museum of Science & Industry (OMSI)/SE Water Avenue.

Mr. Unsworth said the City of Portland and PDC's recently adopted *Economic Development Strategy: A Five-Year Plan for Promoting Job Growth and Economic Growth* (Strategy) calls for direct investment necessary to grow employment in the city by 10,000 jobs over the next five years and establishes a set of priorities to guide the city's job creation work. The PMLR project is a key element to meeting the transportation needs required to support the planned economic growth for Portland and the region. The PMLR project directly supports the growth of Portland's Innovation Quadrant (IQ), a physical manifestation of the Strategy, by enhancing the connections and collaboration between higher-education institutions, workforce development providers, and private sector partners. The IQ, as shown in Attachment D, connects across the

Willamette River via the PMLR services and bridge, and includes PSU, OHSU, OMSI, and Portland Community College (PCC). PSU, OHSU, and PCC are the three largest higher education providers for the region. Their collaboration with one another and with the private sector represents the economic engine that drives the IQ. Together, the IQ area is projected to grow by approximately 30,000 jobs and 11,000 households over the next 25 years. This major investment in the PMLR infrastructure leverages the growth of existing thriving businesses and supports this future development.

IX. EXECUTIVE SESSION

Chair Andrews, Commissioner Straus and Commissioner Mohlis all expressed potential conflicts of interest with the subject matter to be discussed.

Chair Andrews stated the PDC would meet in executive session for the purpose of deliberating with persons designated by the Commission to negotiate real property transactions regarding PDC's office space lease. The executive session is held pursuant to ORS 192.660(2)(e), which allows the Commission to meet in executive session to deliberate with persons designated by the Commission to negotiate real property transactions.

Chair Andrews said representatives of the news media and designated staff would be 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 announced. No decision was made in executive session. At the end of the executive session, Chair Andrews returned to open session and welcomed the audience back into the room.

X. AUTHORIZE NEGOTIATION OF PDC OFFICE LEASE

Ms. Julie Cody, Mr. Steven Blank and Mr. John Matschiner provided detailed analysis regarding four locations for PDC headquarters. The analysis detailed the comparative rent rate and expenses for leasing our current location (Mason-Ehrman Building) as well as leasing Park Avenue West, The Galleria and the Fred Meyer Depot location. Staff's recommendation to the Board was to narrow the choices to two locations: PDC's current location (Mason-Ehrman Building) and Park Avenue West.

Chair Andrews asked for public comment in PDC's headquarters lease.

Mr. Alexander Mace representing Old Town Chinatown Neighborhood Association expressed his concern regarding the possibility of PDC leaving Old Town Chinatown. He read a motion on the PDC Lease Renewal, adopted unanimously on March 6, 2010, into the record. The motion included concerns of the after effects of PDC's departure from Old Town.

Chair Andrews stated the Board did not discuss the impacts on either location. However, he said he believed the impacts would be equal to either neighborhood.

Mr. David Gold provided testimony supporting PDC's current location in Old Town China Town. He said it would very difficult to argue the Park Blocks are more blighted than Old Town China Town. He said as the property owner of the potential Uwajimaya development, he is concerned the Seattle Company would choose to locate somewhere else in the city if PDC leaves the immediate area.

Mr. Paul Verhoeven, Co-Chair of the Old Town China Town expressed support of Old Town China Town.

Mr. Steven Ying representing the Chinese Community expressed support for PDC's current location.

Mr. Robert Butler expressed support of PDC's current location and said if PDC was to leave Old Town China Town the neighborhood would fall back to what it once was and lose positive momentum.

Mr. Scott Madsen expressed his support for the Park Avenue West location. He also offered support to the Old Town China Town community and stated the Mayor had indicated he would backfill PDC's current headquarters with another city agency if they were to leave.

Commissioner Mohlis stated they have heard testimony regarding both locations. He said there are compelling reasons for either site. He agreed there was still a lot of work to be done before a decision was made.

Commissioner Ferran expressed her thanks to everyone for coming out and said until more due diligence was done she would be unable to make a decision.

Commissioner Wilhoite expressed thanks to everyone for their comments. He reminded the public PDC is an economic development agency and responsible for improving the area.

Commissioner Straus said it was important to continue to work to bring new businesses to Portland.

Chair Andrews called for a motion to adopt Resolution No. 6785.

Commissioner Wilhoite moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6785.

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

XI. ADJOURNMENT

There being no further business, Chair Andrews adjourned the meeting at 6:12 p.m.