

This document constitutes the official meeting record of the October 13, 2010, Portland Development Commission Board of Commissioner's Meeting held at 222 NW fifth Ave., Portland, OR 97209.

J. Scott Andrews
Commission Chair

I. CALL TO ORDER AND ROLL CALL

Chair Scott Andrews called the meeting to order at approximately 2:58 p.m.

Aneshka Dickson
Commissioner

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

John C. Mohlis
Commissioner

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	PRESENT
Commissioner John Mohlis	PRESENT
Commissioner Steven Straus	PRESENT
Commissioner Charles Wilhoite	ABSENT

Steven Straus
Commissioner

II. MEETING MINUTES

Chair Andrews called for a motion to adopt the meeting minutes of September 24, 2010.

Charles A. Wilhoite
Commissioner

Commissioner Straus moved and Commissioner Mohlis seconded the motion.

Sam Adams
Mayor

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

Bruce A. Warner
Executive Director

III. EXECUTIVE DIRECTOR REPORT

Executive Director Bruce Warner presented Report No. 10-88, titled, "Executive Director Report." He highlighted the following:

- On September 30, Commissioners Straus and Dickson joined me and other leaders from the Portland area for another tour of the various HarborREDI sites on the upper reaches of the Willamette River. Some major employers such as Gunderson anticipate significant increased business activities in the not-too-distant future, and a number of sites are in various stages of cleanup and preparation for prospective employers. These tours have been very useful in showing staff, Commissioners, elected officials, and private sector leaders both the challenges and opportunities presented by many of these sites;
- The Executive Team has been meeting to finalize details of our annual summit with the Board taking place on October 6, 2010 at Mercy Corps. It will focus on three main topics: financial sustainability, redevelopment, and jobs. This year each focus area has one or more Commissioners who are taking the lead to do presentations and manage the discussion of those issues. I thank the Board for their commitment to this process, for making this a priority in your busy schedules, and for agreeing to take the lead in presenting much of the information at the summit;
- On September 10, PDC participated in a Northwest Wind Industry Alliance event with 40 attendees at Portland City Grill. (PDC is a founding member of NWIA.) A presentation by Iberdrola Renewables provided manufacturers, service providers, local officials and others a list of top items in demand as the supply chain needs

222 Northwest
Fifth Avenue
Portland, OR
97209-3859

tel: 503.823.3200

fax: 503.823.3368

TTY: 503.823.3366



expanded over the next several years. The event allowed participants to gain valuable knowledge on what potential wind owners and operators are looking for;

- PDC staff joined the commercial real estate community in sponsoring an annual bus tour on September 16. The tour, presented by the Oregon chapter of the Commercial Real Estate Development Association, included office and retail in Cascade Station, the Birtcher Center in Fairview, and the Port of Portland’s new headquarters at PDX;
- On September 13, 2010 PDC staff joined LaCrosse Footwear employees and executives for a celebration of the company’s new Danner boot manufacturing facility at the Logisticourt development in Airport Way. The collaborative efforts of DP Partners, LaCrosse Footwear, PDC, and Business Oregon made the new Danner facility possible. The event included a “lace cutting” instead of the traditional ribbon cutting. The factory currently has 235 shoemakers working in two shifts, and a total of 20 staff. They’re expected to go up to about 300 employees;
- Demolition of the former Sizzler Block across from the Oregon Convention Center (OCC) began September 7 and is anticipated to be completed in early October. Metro in partnership with PDC will be constructing a new open-air event and exhibition plaza that will serve as an extension of the OCC. The plaza is directly across the street from the OCC’s main entrance, greatly enhancing the visitor experience. It is anticipated that by next spring the plaza will be completed and programmed with special events and receptions in an urban outdoor setting. When completed in 2012, the new Eastside streetcar will pass by the southern edge of the site;
- This report includes workforce hours for August 2010, and the 2010/2011 fiscal year to date. The summary table below represents the total workforce diversity (apprentice and journey level workers) for the two projects: Mirabella and the Matisse:

Goal	Women	People of Color	Apprentice	Difference
13%	5.97%			[-7.03%]
19%		25.64%		+6.64%
20%			20.73%	+7.73%

Chair Andrews stated a Broker’s Roundtable event was held at PDC. He said over 65 people had signed up to learn how to do business with PDC. He said background was presented on the Economic Development Strategy and the Cluster Strategy. He said it was a good event and he looks forward to the next. He expressed his thanks to PDC staff for their assistance.

Commissioner Straus reiterated the river tour was a great opportunity to learn about the needs of the businesses working along the river and to determine what can be done to bring more jobs to Portland.

Commissioner Dickson echoed Commissioner Straus’s comments and said for a native Oregonian it was an eye opening experience.

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there were no public comment 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. 6826, titled, "Appoint Susan Landauer to The Interstate Corridor Urban Renewal Advisory Committee Representing the Portsmouth Neighborhood Association."

Resolution No. 6827, titled, "Appoint Gus Baum to The River District Urban Renewal Advisory Committee as a Community Partner Representing the Pacific Northwest College of Art."

Commissioner Dickson moved and Commissioner Mohlis seconded the motion to adopt Resolution Nos. 6826 and 6827.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

VI. JOHNSON CREEK INDUSTRIAL REVITALIZATION STRATEGY

Mr. Byron Estes and Mr. Kevin Cronin presented Report No. 10-91, titled, "Johnson Creek Industrial Revitalization Strategy."

Mr. Estes stated report would update the Portland Development Commission (PDC) Board of Commissioners (Board) on the latest revitalization efforts occurring in the Lents Town Center Urban Renewal Area (LTC URA). The Board will hear about various initiatives aimed at job creation, economic development, and redevelopment in the Johnson Creek/Outer Foster Road Corridor. This current effort is directly related to the PDC Strategic Plan and the LTC URA Plan (1998). He further stated concurrent with PDC's effort to spur revitalization and job creation is the City of Portland's program to specifically address the periodic flooding of Johnson Creek. PDC has partnered with the Bureau of Environmental Services (BES) and other City Bureaus to establish a redevelopment, infrastructure, and public investment framework addressing the long term problem of flood mitigation along Foster Road. PDC was awarded a \$250,000 grant to further these efforts, but due to unforeseen circumstances surrounding the grant program, will move the project forward without the grant using a combination of funds from our agency partners.

Mr. Cronin stated on May 14, 2008, the PDC Board approved Resolution No. 6583 authorizing an amendment to the LTC URA boundary as well as an increase to the maximum indebtedness to allow completion of key projects identified in the URA Plan. One of these projects is called "Freeway Land," which is a large industrial site, a key catalyst for potential job creation within the URA, and the centerpiece of the Johnson Creek Industrial Revitalization Strategy. This strategy is identified in the LTC URA FY 2010-11 Budget and encompasses many efforts under one strategy. He said in the beginning period of the URA, PDC worked with the previous owners of Freeway Land to reinvent the site from one that was focused on heavy industrial to a light industrial campus with traded sector companies. The site was bought in 2007 by a local investment group, Jameson Partners, LLC (Jameson Partners).

Mr. Cronin said previously, Jameson Partners challenged the City of Portland to develop a unified vision among competing interests for the same site. In July 2008, PDC worked with City Bureaus to develop a new vision for the Freeway Land site as a cornerstone for the Outer Foster Corridor area that encompasses the industrial properties from I-205 to the east, 122nd Avenue to the west, Powell Boulevard to the north, and the city limits to the south. Foster Road acts as the backbone of the study area, the Springwater Corridor is a green, recreation ribbon that crosses through Foster Road, and Johnson Creek meanders through and is the main watershed feature of the Lents area. Following an extensive charrette process led by the Bureau of Planning & Sustainability, Gil Kelley presented the

new vision to Jameson Partners in September 2008. Discussions led by PDC and BES with Jameson Partners to implement the new vision ensued over the course of a year-and-a-half, but did not result in a letter of intent.

Mr. Cronin explained in March 2010, Jameson Partners designated the property manager as the single point of contact to continue discussions on behalf of the investors. PDC staff initiated a discussion in April separately from BES and continues to work with the property manager on new ideas for collaboration. PDC's goals for moving forward include potential infrastructure investments to encourage new businesses to locate at the site, designated buffer areas for flood mitigation, habitat restoration, and open space, and improved access for multi-modal transportation and distribution.

Mr. Cronin further explained PDC is leading the City's effort at creating a new neighborhood economic development (NED) strategy for business districts and commercial corridors. Currently, PDC staff is creating a NED strategy for the Lents Town Center, while a potential second candidate could be the Foster Road Corridor, focusing on the industrial area. PDC aims to recruit targeted clusters, high growth, traded-sector businesses to the industrial corridor - consistent with the Economic Development Strategy - to take advantage of lower lease rates, access to I-205, and a skilled labor pool.

Mr. Cronin stated in January 2010, PDC submitted a grant proposal to Metro as part of a multi-agency collaboration that aims to unify individual initiatives and areas described above into one strategic framework for public and private infrastructure investments along Foster Road, MAX Green Line Corridor, and the Johnson Creek watershed. Dubbed the Foster Lents Integration Partnership Strategy, this effort aims to tie each of these initiatives into one coordinated green infrastructure strategy. There are three distinct objectives for the strategy:

- Create a multi-modal transportation system for the Lents Town Center and surrounding neighborhoods;
- Address frequent flooding of Outer Foster Road and industrial properties; and
- Spur transit oriented development around station areas for Foster Corridor and MAX Green Line Corridor Powell, Holgate, Lents Town Center, and Flavel station areas.

There is a potential catalytic effect from each of the above objectives being achieved – it helps to solve the larger redevelopment puzzle by identifying the type and timing of public infrastructure investment that will have the greatest impact for neighborhood livability, job creation, and leveraging of private investment. An extensive public involvement process will be organized to inform the public investment choices and eventual recommendations.

Chair Andrews asked for explanation regarding the grant received from Metro and why it has not been released to PDC.

Mr. Cronin explained the Portland Metropolitan Homebuilders Association challenged Metro's grant program in Circuit Court. FLIP was awarded a \$250K grant from this program. The Circuit Court issued a summary judgment in favor of Metro. The Homebuilders appealed the decision to the Oregon Court of Appeals. The Homebuilders are challenging Metro's authority to change the program guidelines from the original focus (UGB expansions) established in 2002 to the current redevelopment focus. A decision by the Oregon Court of Appeals is not expected for at least 18 months. In the meantime, Metro has not made any decisions as to how to move forward with the grant program. Therefore, PDC staff does not expect to receive reimbursement from Metro for any expenditure related to the project.

Commissioner Dickson asked for further explanation of eco-districts.

Mr. Cronin stated an EcoDistrict is a neighborhood or district committed to achieving ambitious sustainability performance goals over time. POSI has identified seven key performance areas necessary for an EcoDistrict: community vitality, air quality and carbon, energy, access and mobility, water, habitat and ecosystem function, and materials management. To accomplish the goals within these seven performance areas, the community is engaged to formalize a governance structure; complete an assessment and action plan; implement projects; and track and monitor performance.

VII. LENTS FOSTER-WOODSTOCK STREETScape IMPROVEMENT PROJECT BRIEFING

Ms. Sue Lewis presented Report No. 10-92, titled, Lents Foster-Woodstock Streetscape Improvement Project.”

Ms. Lewis stated the Foster-Woodstock Streetscape Project began in 2006 with a \$1.9 million Metropolitan Transportation Improvement Program (MTIP) grant. Grant funds, along with PDC matching funds of \$200,000, will implement the 1999 LTC Business District Transportation Plan, adopted by City Council, to design and build street improvements along SE Foster and SE Woodstock in the LTC that include sidewalk improvements, stormwater bio-swales, street trees, street furniture, curb bulb-outs, parking, and bike lanes to enhance and promote revitalization in the town center.

Ms. Lewis said the Project was initiated with the development of a Public Participation Plan and formation of a Project Citizen Advisory Committee (CAC) to prioritize street improvement elements with available funds and make a recommendation to the LTC Urban Renewal Advisory Committee (URAC). After five public meetings and an open house, the LTC URAC endorsed the prioritization recommendations on November 10, 2009. These priorities were included in the URAC’s recommendations during last year’s budget process. The Project then moved into the design phase, utilizing the CAC process to develop schematic designs to guide engineering plans. During the design phase between December 2009 and May 2010, four public meetings and a community open house were held. The CAC’s recommended schematic designs were presented to the URAC and endorsed on May 11, 2010. These endorsed schematic designs will guide the next phase of design engineering.

Ms. Lewis stated the project will provide a benefit to the public by increasing pedestrian safety with improved sidewalks, provide stormwater management, create a visually pleasing streetscape, establish identity markers, and add on-street parking. The Project is intended to stimulate commercial development and revitalization by adding necessary infrastructure and an attractive entry point into the Lents Town Center. The IGA for \$1.815 million with PBOT for design and engineering was approved by the Board in December 2009. PBOT will match those funds with the \$1.9 million grant through the MTIP. As disclosed during the adoption of the IGA, it is anticipated that an additional \$787,000 LTC URA funds will be needed to complete construction of the streetscape improvements and the east and west entryways. While the design costs for Ramona Street improvements were included in the IGA, construction is not, nor in the MTIP funds. Current cost estimate for construction of the Ramona Street improvements is approximately \$1.289 million. As requested at the December 9, 2009, PDC Board meeting, staff contracted with Kittleson & Associates to conduct a feasibility study on undergrounding public utilities in the project areas.

VIII. NE 97TH AVENUE GREEN STREET PROJECT BRIEFING

Ms. Sue Lewis presented Report No. 10-93, titled, “NE 97th Ave Green Street Project Briefing.”

Ms. Lewis stated the presence of “super blocks” (blocks much larger than traditional city blocks) and lack of connecting streets in the Gateway Regional Center URA is a deterrent to effective

redevelopment. This pilot project implements strategies outlined in several plans developed throughout the years to integrate and create a true street grid with shorter blocks and connecting streets. Previous actions taken by the Portland Development Commission (PDC) Board of Commissioners (Board) in relation to the Project include approval of the Gateway Master Street Plan in 2004, followed by an amendment to this plan in 2009. The Central Gateway Redevelopment Strategy adopted in 2007 identified strategies to implement the Master Street Plan. No subsequent action will be required from the Board.

Ms. Lewis said the Project is important to the URA because it represents the initiation of street connections in the Central Gateway area and will serve as a catalyst to development by installing necessary infrastructure in a sub-standard street. The Project also provides a model of achieving street improvements through public-private partnerships using Local Improvement Districts (LIDs) to obtain necessary rights-of-way and project funding. In addition, the Project promotes PDC's sustainability goals by being the first green street in the Gateway URA. Finally, the Project will provide residents with a safer street and improved access to recreation through connections with the Oregon Department of Transportation (ODOT) multi-use path nearby.

Ms. Lewis explained NE 97th Avenue was selected for improvements because it leverages a planned multi-family private development that would implement the Master Street Plan by installing a street connection between NE 97th and NE 99th. As will be described at the briefing, given the developer's intention to build green and to underground utilities, PDC staff included the Project in the Utility Underground Study, conducted by Kittelson & Associates for the Foster-Woodstock Streetscape Improvement Project, to determine feasibility and cost analysis (see Attachment B for the Draft Executive Summary). The LID consists of eight parcels (5 different property owners). There is a large public right-of-way for the I-205 multi-use path owned by ODOT on the west side of the street. PDC staff applied to the Portland Bureau of Environmental Services (BES) and was awarded a *1 Percent for Green* grant and a *Watershed Investment Fund* grant totaling \$417,000. Of the \$1.17 million estimated Project cost, the BES grant portion is 36 percent, PDC's portion is 27 percent, and the LID's portion is 37 percent.

Early in 2010, PDC staff and the Portland Bureau of Transportation LID Administrator met with property owners to gauge interest in forming an LID. Responses were favorable. Property owners recognized the value of a public-private partnership, which would provide a 60 percent cost reduction should property owners be required to fund the Project alone. Council formally approved the LID formation on May 26, 2010. Because this Project requires a complete tear-out of the street, and the intentions of the adjacent development is to build green, staff added it to an undergrounding study conducted by Kittelson and Associates.

Ms. Lewis said the current condition of the street is poor. It has no sidewalks, numerous potholes, poor street grade, no designated parking, and inadequate stormwater management. There is improvised parking next to the I-205 multi-use path that has become a haven for vehicle vandalism and car prowls, creating a physical and psychological hazard for residents, as well as staff working at the nearby Glisan Care Center. Street improvements will install sidewalks, street trees, and bioswales, and will re-grade and pave the street, creating an organized and managed street that will promote pedestrian safety, manage stormwater on-site, improve water quality, improve property values, and promote redevelopment. She said the Project is estimated to cost approximately \$1,168,276. PDC funds are included in the FY 2010-11 Budget and forecast. The cost breakdown is as follows:

BES grant funds:	\$ 417,000	36%
PDC funds:	\$ 317,331	27%
LID funds:	<u>\$ 433,945</u>	37%

\$1,168,276 100%

Ms. Lewis explained staff requested an undergrounding study be conducted by Kittelson and Associates. She explained the study reported the decision to underground overhead utilities ultimately comes down to who pays for the conversion and the willingness to take on these expenses. Oregon Administrative Rules regulate payment for the conversion when work is done within an undergrounding district. The creation of an undergrounding district would be necessary and would provide the authority to require adjacent property owners to connect to the new underground system, regardless of their expense to upgrade their private property's electrical system to comply with current regulations. Ms. Lewis explained the creation of a new undergrounding district is a political process that involves City Council approval and amendments to City Codes.

Ms. Lewis stated on SE Ramona Street there are multiple adjacent property owners that have not been contacted specifically about this effort; their level of cooperation for converting from overhead to underground service connections is unknown at this point. Many of these houses are early 1900s and the conversion costs to upgrade these individual properties could be expense. On NE 97th Avenue, it appears that a majority of the adjacent property owners agree with the proposed overhead to underground conversion, however, NE 97th Avenue would be a localized undergrounding roadway section without defined long-term plans to expand undergrounding beyond this street segment.

Ms. Lewis explained along with the \$850 per lineal foot cost for the conversion, there is an additional \$575 to \$950 per lineal foot cost to convert the 115kV high voltage lines passing through this area making full undergrounding within this district feasible but likely not practical due to the excessive costs.

Ms. Lewis also stated there are additional costs associated with the undergrounding that would also be passed on to the customers.

Mr. Dan Dowkin Supervisor for PGE stated the additional costs associated with underground are not necessarily a rate increase but a surcharge. He explained ORS allows PGE to recover the costs associated with underground and charge back those costs to the individuals that receive the benefit.

Commissioner Straus expressed thanks for study. He asked if there would be salvage value left from the overhead lines.

Mr. Dowkin explained most of the costs would be trenching costs associated with the undergrounding. He said there would be some depreciated replacement for the salvage value of the overhead lines; however, most of the costs are for trenching, conduits, etc. He explained once the trenching, etc. is in place, PGE does the remainder servicing at their expense.

Commissioner Straus asked if the City of Portland while doing a streetscape improvement dug the trenches and put in the conduits would PGE do the remainder at no cost.

Mr. Downkin explained PGE would do everything but the 115 voltage line.

Commissioner Straus asked if building owners are required to upgrade the electrical.

Mr. Downkin explained the customer has to bring the electrical up to the standards; if the customer has an overhead service, they would need to change to an underground meter base. However, once they touch the meter base, they are required to pull a permit which brings in the city electrical inspector.

Commissioner Straus asked if they are allowed to connect to the underground by connecting to the side of the house or business for example.

Mr. Downkin explained PGE no longer allows its customers to do this.

IX. PORTLAND STATE UNIVERSITY FRAMEWORK PLAN AND ECONOMIC DEVELOPMENT PLAN UPDATE

Mr. Mark Gregory, Assistant Vice Present Finance, Portland State University presented Report No. 10-94, titled, "Portland State University Framework Plan and Economic Development Update."

Mr. Gregory stated Portland State has developed a strategy that leverages these assets to guide its future development. Growth is the dominant aspect of this strategy. Because of Portland's expected population growth, the increasing importance of the knowledge economy, and Portland State University's unique role as the only general public university in the region, the institution expects to add at least 10,000 and possibly as many as 20,000 students over the next 25 years. The University District Framework Plan provides a physical framework for future growth that builds upon the University's innovative academic environment and partnership opportunities, a commitment to sustainable neighborhood development, and world-class transit to realize its vision as a sustainable, urban research University.

Mr. Gregory explained the Framework Plan identifies the urban infrastructure that will guide the revitalization of the University District, weaving together the park and street systems of southern Downtown, and linking the Park Blocks to the Willamette River via new "Green Streets". Working at the scale of the street, the block, and the building, planning and design principles provide the tool box for the physical transformation of the University and its District, and embody the spirit of a sustainable urban University. The invisible becomes visible as the City's infrastructure is brought to the surface, the serendipitous exchange of ideas becomes part of the course of daily life as land uses are layered and campus mingles with city activities:

- Expansion of the University District to facilitate up to 7 million square feet of private and PSU development to accommodate expected enrollment and research growth;
- Block by block integration of University renewal and private development;
- Maximum flexibility within strong guidelines to ensure imaginative and appropriately-scaled massing of city blocks;
- Full integration with the City's EcoDistrict concept; sustainability made visible throughout the district, through Green Streets, innovative building typologies and construction methods, diverse street-level active uses, maximum leveraging of transportation infrastructure;
- Development of a distinct urban character in the district, clearly reflecting the University's presence, but urban rather than institutional;
- Operating the district as a comprehensive real-world learning environment, with visible physical integration of businesses and the University;
- Providing capacity for collaborative research growth; and
- Offering a supportive environment for traditional and non-traditional students.

Mr. Gregory also stated early redevelopment in the Framework Plan radiates from three major focal points in the University District, and complements existing hubs of activity. All three focal points incorporate the stated core values of the plan, namely: optimize land use & accommodate growth; ensure institutional distinctiveness & campus/city integration; maximize connectivity; capitalize on the Portland experience and support partnerships. All three have key characteristics of a blend of public and private uses; transparency on the street level; integrated indoor and outdoor spaces; and exemplary sustainable development. However, each focal point has a dominant theme, supporting the

complex needs of the University in achieving its goals. These focal points are representative of the eventual vision for the district as a whole;

- Park Blocks Center;
 - Park Blocks;
 - New Academic Development;
 - Montgomery Green Street;
 - Lincoln Hall; and
 - Cramer Hall.

- Living Learning Center;
 - Living/Learning Center Park;
 - College Street;
 - New Housing / Mixed Use;
 - Montgomery Green Street; and
 - Broadway Housing.

- City Gateway Center;
 - Urban Center Plaza;
 - Montgomery Green Street;
 - Academic And Student Recreation Center;
 - Living/Learning Center Park; and
 - Oregon Sustainability Center.

Chair Andrews stated Portland State University is important to the health of downtown.

Commissioner Straus expressed his appreciation for the new collaboration. He asked if additional student housing would be campus or developer driven.

Mr. Gregory replied PSU will be experimenting with using both models to determine what would work best.

X. EXECUTIVE SESSION

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.

XI. ADJOURN EXECUTIVE SESSION

Chair Andrews called for a motion to adopt Resolution No. 6828, titled, "Authorizing Settlement of Litigation between the Portland Development Commission and Brown Contracting, Inc. relating to the Downtown Waterfront Park Improvement Project."

Commissioner Straus moved and Commissioner Dickson the motion to adopt Resolution No. 6828.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

XI. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 5:07 p.m.