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This document constitutes the official meeting record of the May 25, 2011, 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 8:03 a.m.

Ms. Emily Swensen, acting as recording secretary for the Board, called the Commission roll:

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

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

Chair Andrews began the meeting by stating he wanted to recap a few highlights from the last few weeks. He said Portland Development Commission (PDC) just finished the budget and said it was going to City Council for approval today. He said the Ramona just opened and it was a huge success and the facility is already fully leased, with 75 children living there now. He said Portland has the lowest vacancy rates in apartments within the entire country. He said the International Business Awards event was very successful and several awards were given out, focusing on the traded sector businesses, which is a core piece of PDC’s cluster work. He further stated he and others were able to spend an evening getting to know some of the top leaders of SoloPower.

II. EXECUTIVE DIRECTOR REPORT

PDC Executive Director, Mr. Patrick Quinton, provided a verbal Executive Director report and highlighted the following activities:

- Oregon Sustainability Center – Along with Chair Andrews, he attended an event with Umpqua Bank CEO, Ray Davis, Governor Kitzhaber, Mayor Adams, and Portland State University President, Wim Wiewel, to launch the Oregon Sustainability Center, which is a catalyst for Oregon’s economic future. This represents more successes in ongoing efforts to bring corporate partners into this project. Sanyo will provide solar array on the project, with the panels being mainly produced in Oregon. Insulation will be handled by Inspec which is also another local company. Sanyo will make investments to allow them to have part of the building, perhaps a plaza with their name on it. Part of this event was to pitch other corporate partners to participate in the program.
- Wattles Boys and Girls Club – He will be attending the opening of a 3,000 square foot expansion, and PDC helped fund this through the Community Livability Grant.
- International Trade Week and the International Awards Dinner – This was a very successful event and he echoed Chair Andrew’s sentiments.

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- Regional Export Competition – The Brookings Institute formally announced their selection of the Portland Metro Region as one of four pilots in the Metropolitan Export Initiative (MEI). Under the MEI, Brookings will partner with Portland to develop a metro-specific export plan to help meet the President's National Export Initiative of doubling exports in five years. Brookings chose Portland based on a highly competitive application and review process. The Brookings team arrives in Portland during June for the data collection and analysis phase of the project. The final strategy will be released in the fall of 2011 and representatives from each of the pilot metros will be invited to Washington D.C. to participate in a 'cohort' meeting, where they will be able to share their experiences related to exports. The actual conference will showcase the Portland Metro Region and is a prestigious conference. Greenlight Greater Portland, Port of Portland, Port of Vancouver, PDC staff and others are currently in Anaheim representing Team Oregon.
- Joined Umpqua Bank CEO, Mr. Ray Davis, Gov. John Kitzhaber, Portland Mayor Sam Adams and Portland State University President, Wim Wiewel, at an event to toast the launch of the Oregon Sustainability Center, a catalyst for Oregon's economic future.
- Wind Power Expo – Staff are currently attending this event finding customers for wind turbines and bringing dollars into Portland.
- NW Careers Expo was held last week and it focused on the manufacturing sector. The manufacturing industry is working hard to attract young talent into that sector. Manufacturing careers are becoming increasingly technical and offer good paying jobs. This was a successful event PDC supported.
- Neighborhood Economic Development (NED) Strategy – Ms. Kimberly Branam presenting this Strategy to City Council today, which will include highlighting success of some companies: Tripwire – Recently sold to private equity firm and is one of the best candidates in regional economy for an IPO (long time since PDX had IPO in this sector) and Second Porch – Received investment from Oregon Angel Fund and was purchased by a Texas company but will remain in Oregon and have funds fuel growth. Part of the NED Strategy is to see companies achieve success like this.

Chair Andrews stated last night's event to launch the Oregon Sustainability Center was a fantastic event. He said efforts are underway to designate a floor in that building for the private sector, saying we need to do a better job of making that known and to recruit a big company for that space. He stated there is not much extra cost for doing so and said it would be an incredible opportunity to be part of this development.

Chair Andrews stated the newspapers stated this morning unemployment fell below nine percent and said this is amazing and the economy is showing signs of improving but we need to keep up the work.

Commissioner Straus thanked Chair Andrews and Mr. Quinton for their reports and said to continue with the spectacular work.

Commissioner Dickson stated PDC has been heavily in the news during the past few weeks as they continue their focus to grow jobs and said it is exciting to know PDC is busy creating jobs.

III. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Chair Andrews invited public comment for items not on the agenda and there being no public comment or consent items on the agenda, announced the Board was moving to the regular agenda.

IV. INTERGOVERNMENTAL AGREEMENT WITH CITY OF PORTLAND FOR PURPOSE OF SUPPORTING SOLOPOWER RECRUITMENT

Chair Andrews stated the Board would be hearing from staff about an Intergovernmental Agreement (IGA) between the City of Portland and PDC to support the SoloPower recruitment.

Ms. Jennifer Nolfi introduced the item, saying this recruitment will initially create 141 jobs and will grow to almost 500 jobs over the life of the project. She stated Mr. Colin Sears and Mr. Andy Reed will be speaking to the recruitment activity and explain how the enterprise zone (EZ) was used. She acknowledged this recruitment has been a successful collaboration between PDC, City of Portland, the Mayor, Executive Director Quinton, Ms. Julie Cody, Mr. Eric Iverson, Mr. Colin Sears, Mr. Andy Reed, the city attorney office, and the Office of Management and Finance. She said all of this support is greatly appreciated. She further stated SoloPower supports PDC's clean tech cluster and moves us closer to the goal of creating 14,000 jobs by 2014.

Mr. Colin Sears stated SoloPower is one of a handful of companies offering this level of technology. He said they are an innovator of thin-film photovoltaic (PV) cells and modules and their mission is to mass-produce PV modules for ubiquitous applications on a global scale. Mr. Sears said outside of the United States, this is the hottest solar product category and right at the onset, half of the product can be sold in other countries. He said as soon as SoloPower starts producing, they are sold out for the next two years.

Mr. Sears stated extensive due diligence (more than \$2 million) has been conducted by the State of Oregon for this project and the risk is very low. He said on final negotiations, two properties within the River District Urban Renewal area were identified for their location.

Mr. Sears delivered a presentation, which explained SoloPower's investment in Portland, stating SoloPower desires to invest up to \$340 million to construct facilities in Portland. He said an important element of SoloPower's financing is a loan commitment from the Oregon Department of Energy (ODOE) for a \$20 million State Energy Loan Program (SELP) for the solar facilities, conditioned upon obtaining at least \$5 million in loan guaranties, with the City of Portland desiring to provide \$5 million in loan guaranties. He said an IGA between PDC and the city will backfill city resources by agreeing to increase PDC's contribution to a mutually agreed upon tax increment financing (TIF) eligible project in the River District Urban Renewal District in an amount equal to the city's loan guaranty exposure. He stated SoloPower received a conditional commitment from the U.S. DOE Loan Programs Office for a \$197 million loan, which will support construction of the Solar facilities. He said SoloPower has also secured a loan commitment from ODOE for a \$20 million SELP loan for the solar facilities, conditioned upon obtaining the \$5 million in loan guaranties.

Mr. Andy Reed gave an overview of the EZ, stating the EZ is experiencing a lot of activity and SoloPower will be doing their part. He stated the EZ program provides industrial firms with a waiver of 100 percent of property tax which is attributable to new investment for a five-year period. He said there is no loss of revenue because any currently taxed facility or machinery on the tax rolls does not receive an exemption. He said the short-term waiver of taxes results in long-term returns.

Mr. Reed said the state's program is a tool used across the state and is available for many different jurisdictions. He said this year, the program has made it through the House and is now going to the

Senate and said he anticipates support. He said because of the length of time a company can access this, it provides certainty for companies. He said SoloPower needed to know quickly what incentives might look like and how they could qualify. He said it is not a handout program and if a company has machinery/equipment and/or new construction, it can be used. He said a new company also must hire new employees and an existing company must increase employment by ten percent over their current employment level at the time of enrollment and said SoloPower will obviously be much higher. He said after five years, PDC and the county will assess this and monitor how many jobs have been created and maintained. He said for the life of the program for all companies, PDC is monitoring and ensuring companies are in compliance.

Mr. Reed said since 1996, Portland has leveraged \$1 billion in private investment in the EZ and 5,000 jobs have been created. He said small and large companies are encouraged to join and a PR campaign for this will be launched in the next few months. He said in the past five months, nine companies have entered the EZ program and 24 others are currently active. He further stated in the last two years, there were no new companies. He said an estimated 777 jobs have been created and nine companies retained using an investment size between \$2 and \$348 million. He said a \$2 million manufacturing company investment brings in a \$60 million military contract.

Mr. Reed provided statistics regarding SoloPower showing there will be nine years of EZ exemptions for the company. He said this provides a strong incentive to stay and take advantage of the exemptions, because if they leave early SoloPower will have to pay back the tax savings.

Chair Andrews said he gives a big "shout out" to Commissioner Amanda Fritz, as she was excited to see the EZ being a big piece of this transaction. He said in the three years he has served on PDC's Board, this had not come up until the Rentrak transaction and said it is good to highlight this program that is available to companies – even those currently in Oregon. He said it doesn't affect the tax base except to increase them down the line. He said the zones are set by the state and then asked staff what the requirements are for being an area that is chosen.

Mr. Reed responded by saying the areas selected are directly related to Median-Family Income (MFI) income areas. He said Portland's areas are in North/Northeast Portland, dependent on income tracts. He said a company must first participate in a first-source hiring agreement (local organization - Worksource Oregon) to get people connected with jobs. He said companies pay an application fee for PDC to administer the program, followed by the job creation piece.

Chair Andrews stated it is not available everywhere in the state and only where lower than state average incomes exist. He said it is designed to increase incomes in those particular areas and said Rivergate is one such location. He said over a period of time, they will also be paying into the worker training fund.

Mr. Reed stated the Workforce Training Fund is part of the EZ policy, with 60 percent going towards workforce training. He said companies can do on-the-job training and can contract with Portland Community College (PCC) to do customized training. He said PDC is going to be meeting with Worksource Oregon and PCC to figure out how to best use this tool, saying there will be \$1 million available to conduct workforce training.

Chair Andrews thanked everyone for their efforts. He said he got involved early in this transaction and was asked to attend a dinner with those from SolarPower who were considering moving their business to PDX. He said he was impressed with this group of individuals. He said the city and PDC's ability to deal with all the difficult issues related to this transaction, within a very short period of time, was very impressive, particularly giving kudos to Mr. Sears. He said PDC has worked with SoloPower for a year or so, finishing a close second the first time but said Mr. Sears never gave up. He said when the opportunity came around a second time, PDC was poised and ready to act on it.

Chair Andrews pointed out that only a piece of what is being discussed today that is here for approval is the loan guarantee piece. He said the state is providing a \$20 million loan which requires the city to backstop that with a \$5 million guarantee and TIF and general fund dollars cannot be used for this purpose. He said city parking reserves are being used to support this and so PDC will backstop other projects that PDOT would have to pay for to meet the state's requirement. He said SoloPower has a \$194 million loan guaranty from the federal government and SoloPower received one of three of those grants. He said when that money is drawn down, after the first line is up and running, SoloPower will have to pay off any other loans they have. He said it is envisioned this loan will be paid off by the summer 2012 and the obligation that is being discussed today will go away. He said it is a very low risk deal, as most of the incentive comes from the EZ and state program.

Commissioner Mohlis thanked the team for explaining the complexity of the deal and for everyone that brought the project to fruition. He said he was pleased to see SoloPower was kept in the city and region and testified on its behalf at a City Council hearing. He said it was amazing that two years worth of product would be pre-sold. He said this will create 150 construction jobs and take vacant space off the market. He said this is all really good and the clusters are all being built by local workers, saying anything a person can dream, design, or draw can be built here locally with local contractors and workers.

Commissioner Dickson said she was excited about this activity and offered her congratulations. She said this is a huge win for Portland, but also for Oregon as a whole. She said the idea is to keep these jobs in Oregon and a lot of people did a lot of work and this is a great company. She said she is glad it is low risk and the company is strong, bringing 590 potential jobs. She asked how PDC will ensure there is a benefit to the community and how will the local job force become prepared for these jobs, saying a person will have to have the right experience to land the job and asked how they will be able to get this experience. She also asked how PDC was going to address this, especially in communities where people are not qualified.

Mr. Reed responded by stating workforce training monies will be used to provide this training and it is believed with enough ramp up time, a plan will be in place to train employees when lines two and three open up. He said he believes there is time for this.

Commissioner Dickson stated she wanted to see Portland residents getting these jobs and said we need to make sure we are prepared by making the community ready.

Ms. Jennifer Nolfi stated a First Source Hiring Agreement will be put in place and PDC is working closely with Worksource Oregon. She said these partnerships will work with the industry and through the community college system to ensure a pipeline of talent will exist for the future.

Mr. Colin Sears stated the project is ideal to address concerns as it is achieved in phases. He said someone graduating from High School next month could pursue the goal of working at SoloPower and actually get there.

Commissioner Straus thanked the team for their work and said it was an amazing accomplishment. He said this builds momentum and PDC should take advantage of this win. He said if we have not already gotten Portland State University involved, then we should be pursuing this and their sustainability fund for advanced research. He said PSU helped OSC pay market rate and not a subsidized rate.

Mr. Quinton said the team has received many accolades and people have noted how quickly the team moved on this task, at all levels. He pointed out this is how PDC operates at all times, saying SoloPower shines a light on it, but said really, this is how we work at PDC. He said it is nice for the public to get to see it this time and thanked the team, specifically Mr. Sears, for this big win.

Chair Andrews made a motion to approve this resolution and Commissioner Straus moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

V. FOURTH AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY IN INTERSTATE CORRIDOR URBAN RENEWAL AREA WITH KILLINGSWORTH STATION, LLC.

Chair Andrews stated the Board would now be hearing Resolution 6879, a fourth amendment to the Killingsworth Station Disposition and Development Agreement (DDA). He said he and Commissioner Straus will be declaring a potential conflict of interest for the record.

Chair Andrews stated he wished to declare a potential conflict of interest on this matter. He said as you know, I am President of Melvin Mark Properties and Melvin Mark has had business dealings in the past with Mr. Jim Winkler, managing member of the developer on this project. He said, however, Melvin Mark has no interest or involvement in the Killingsworth Station project and as such, in accordance with state law, is declaring my interest and will participate in this matter.

Commissioner Straus also stated he wished to declare a potential conflict of interest on this matter. He said as you know, I am President of Glumac and Glumac has had business dealings in the past with Mr. Jim Winkler, managing member of the developer on this project. He said, however, Glumac has no interest or involvement in the Killingsworth Station project and as such, in accordance with state law, is declaring my interest and will participate in this matter.

Ms. Sara King stated she will be joined by Mr. John Warner, Portland Housing Bureau, as he was the previous project manager for Killingsworth Station and is still involved with the project. She said because Mr. Warner has done so much of the financial aspects of the project, he will be able to answer any questions the Board may have.

Ms. King stated the 4th amendment focuses on the commercial aspects of the project and will allow condos to be sold or purchased as a lease-to-own. She said it modifies terms and conditions of the existing construction loan and establishes terms and conditions of the \$900,000 commercial assistance outlined in the DDA. She said the project is looking great and is on schedule (65% completed) and within budget. Ms. King said there is strong MWESB on the project and it is on target to be LEED Platinum certified. She said PDC wants to ensure the project is successful and that there is a successful commercial element to the project. She said new commercial construction is expensive, being more expensive than the market can support in this area and PDC needs to reach a lease rate that is support by this local area. She said the goal is affordable business space and timely absorption of space to ensure the project's success. She said condos were part of the original DDA and allows lease-to-own for five years to appeal to a wider market and to ensure businesses are seasoned enough to buy and to be successful. She said this will mean the developer will be holding space longer than anticipated. She said one option is to allow lease-to-own as it would widen the pool of businesses that can be interested and get into the commercial spaces. She said the construction loan will convert to a mini permanent loan. She said there is \$900,000 of commercial funds in the project and PDC desires to use up to \$600,000 to buy down affordability, plus utilize \$300,000 from PDC's existing loan programs to loan to businesses. She said Mr. Warner has determined some exceptions will need to be made to the loan terms. She said the amortization schedule has been extended from 10 to 20 years and the interest rates are lower, from prime plus three percent to prime.

Mr. Warner stated an allowance will need to be made for a partial reconveyances and this feature was not originally included under the original plan. He said to make it clear how this transaction is proceeding, Mr. Jim Winkler was invited to attend and will provide testimony and additional details.

Chair Andrews called Mr. Winkler to the testimony table. He reminded the Board this was a very difficult project to get off the ground and stated the project is very important to the community in terms of getting it moving forward. He said the project is a poster child for a catalytic project and is being built in an emerging neighborhood. He further stated staff got creative and provided a piece of the construction loan because they were impossible to find. He said this project provides an opportunity for retail spaces to be leased. He further stated he likes the strategy and the lease with an option to buy being included in the deal, as it makes a lot of sense given the current economic climate.

Mr. Jim Winkler stated the easy part is building the facility, as they know how to do this but said the hard part is in marketing it. He said they are doing outreach to allow folks in the neighborhood to fully benefit from the project. He said they are focusing on women entrepreneurs with expanding businesses and first-time owners and businesses. He said there is light rail but it is less pedestrian friendly but said there is a lot of foot traffic right at the front door. He said they are working to link Greeley and Interstate.

Chair Andrews thanked Mr. Winkler and said he knows he and R&H Construction have put a lot of effort into the Minority, Women and Emerging Small Businesses program. He said there were some concerns with regard to this but believes Mr. Winkler and his company has far exceeded the goals.

Commissioner Straus thanked Mr. Winkler for attending and for achieving LEED platinum and high volume of women/minority businesses. He suggested pursuing PCC for one of the commercial spaces. He also said former Commissioner Ferran dedicated her time on the Board to support the concept of low income housing ownership, not just rental. He said on behalf of himself and the Board, Commissioner Ferran should be recognized for her efforts and it would be great to see something in this project.

Commissioner Dickson stated she was very happy with the positive results and agreed the construction component was the easy part. She said the marketing efforts were very good and will be important to make this successful through the duration. She said the Board and everyone involved with the project want to make sure the project is well supported and goes well. She said PDC and the Board will work hard to recruit businesses to fill up the space and to help neighbors feel comfortable with condos again.

Commissioner Mohlis seconded recognition of former Commissioner Ferran for her passion with both home and business units. He said this project has been in the works for quite some time and so with the difficult economic times, he is very pleased to see it move forward. He said everyone involved is doing great work and the project is going great. He said a few years ago some interesting conversations were taking place with R&H Construction regarding prevailing wage and lofty goals for MWESB and said he is glad to see it is working.

Mr. Winkler stressed R&H Construction still needs to provide training program and said the biggest problem is finding competent employees and labor.

Chair Andrews made a motion to approve the resolution and Commissioner Mohlis moved and Commissioner Straus seconded the motion.

AYES: Andrews, Dickson, Mohlis, Straus

NAYS: None

VI. INTERGOVERNMENTAL AGREEMENT WITH PORTLAND PARKS AND RECREATION FOR CONSTRUCTION OF FIELDS NEIGHBORHOOD PARK

Chair Andrews introduced this item and stated Mr. Eric Jacobson and Mr. Mike Abbate from Portland Parks and Recreation (Parks) would be speaking to the Fields Neighborhood Park item.

Mr. Eric Jacobson stated this item joins PDC into an IGA with Parks to provide funding for parks. He said Mr. Mike Abbate, Parks Asset Manager would be presenting a PowerPoint presentation. He said this park is the last of three the city agreed to construct in 1997. He said this project sets the stage for the next phase of development in the north Pearl District location.

Mr. Jacobson stated he wanted to recognize the partners on this project which included Parks, Hoyt Street Properties (HSP) and the Citizen Advisory Committee.

Mr. Jacobson stated the objective of this project is to convert a contaminated former rail yard into a public park. He said this is a very exciting project and went on to show a series of photos, highlighting how the area has changed. He said in 1997, a DDA was entered with Hoyt Street properties and in 1998 the River District Urban Renewal Area was launched. He said three parks were designed to be complementary and to connect the neighborhood to the waterfront and the original park was planned for 2.1 acres. He said in 2006, as HSP was preparing the master plan, it was agreed to increase the size of the park by 1.2 acres and an additional two blocks were added. He said HSP has agreed to donate those to the city to be contributed to the park. He said the first IGA with Parks was during 2007 and the last IGA, for the design, was done during 2009. He further stated the bridge is not included in the plan the Board will be viewing today, as it is tied to the Centennial Mills effort. He said so far in 2011, 50 percent of the construction documents have been completed and a third-party cost validation contractor reviewed the concept documents to ensure cost estimates were all in line.

Mike Abbate stated the Capstone project, which is third in a set, connects the project and is an important resource for neighborhood. He said all three elements of the project had a slightly different focus. He said having a flexible space for this project is the basis of this park, as there is not enough of this in parks and so this will have a very large area for open lawn that could be programmed (movies, concerts, etc.) but could also be unprogrammed. He said walking will be a huge focus of this site and will have a walking trail around its perimeter. He said it provides opportunities for views and will have a children's play area, dog area and an urbanology trail. He said some of the items were removed from the older plan because of the third party cost validation. He said PDC is adding \$600,000 to the project and Parks is providing \$400,000, which allows for completing the children and dog play areas. He said no bathrooms will be included but the Portland Loo is available in the right-of-way located on the west side of the project. He said there will be a boardwalk, which was a key driver in the original vision to link parks and walks. He said it will have a piece of the boardwalk but it will not surround the entire west side of that park (will terminate at open lawn area). He said the bid package structured was sort of a la carte, saying other items could be added as the bids arrive. He mentioned some items (i.e., restroom, water feature, river overlook) were deleted from the plan.

Mr. Jacobson reviewed the summary of construction costs, stating the budget for the park improvement base was a PDC contribution of \$3,335,000, park enhancements are \$1,000,000, with PDC contributing \$600,000 and Parks contributing \$400,000 towards this cost. He said PDC has allocated \$330,000 for environmental remediation, \$504,000 for right-of-way improvements and an additional \$371,000 for construction management.

Mr. Jacobson said the public benefits include recreational opportunities, livability, a waterfront connection, and construction jobs, which is part of the city's economic stimulus package. He said there are currently nine blocks that are underutilized and are in close proximity to this development. He said there is a lot of density in the area, with a new apartment and a lot of children in the area. He said there is a social equity opportunity and MWESB participation will be maximized, saying PDC and Parks is committed to make this happen.

Mr. Jacobson reviewed the project schedule stating construction documents are to be completed during July 2011, permitting is to be completed during the July-August 2011 timeframe, general contractor selection will occur during the August-November 2011 period, and construction will take place between March-October 2012, with a grand opening slated for November 2012.

Mr. Jacobson said this has been a very complicated process and this will be the last opportunity for the Board to view this prior to the grand opening.

Mr. Jacobson stated he wanted to recognize staff members, Mr. Steven Shain, Mr. Lew Bowers, Ms. Nixie Stark, Ms. Lisa Gramp, Mr. Michael Grieser, Mr. Dave Obern, Mr. Keith Witcosky, Mr. John Jackley, Ms. Alyson Schweiger, Mr. Tony Barnes, and Ms. Melissa Nelson for all of their hard work and contributions toward this project.

Chair Andrews invited public testimony.

Ms. Patricia Gardner provided public testimony stating this park is important for bringing in high density and challenged developers to take advantage of this greater density opportunity. She said the public has been very involved in this project as it will be the last green space project performed in the Pearl area. She stated the public has come down hard on this project, as they want to squeeze in all of their desires into this last green space project and said she appreciates the staff for understanding and being sensitive to this. She said she believes all will see this park will become a catalyst for other development.

Ms. LaRae Hunt provided public testimony stating this will be the last location built that will be a place where dogs can enjoy within this particular neighborhood and is looking forward to it opening.

Mr. Doug Shapiro, HSP, provided testimony stating this project captures and encapsulates everything that is trying to be achieved within this neighborhood. He said this project is an example of how they want to culminate open space development. He said he has been approached by developers lately about this project, stating they are putting together packages that include office space and subsidized housing, thus creating mass in this neighborhood.

Chair Andrews requested Mr. Eric Jacobson and Mr. Dave Obern be seated at the testimony table to address some of Commissioner Straus's environmental-related concerns, saying this is a good opportunity to discuss what has and will be done relative to environmental issues.

Mr. Obern stated it has been a very complex project and prior to PDC purchasing the property; HSP took initial actions to place a temporary cap on initial remediation. He said the goal is to ensure the maximum protection is given to the public. He said a lot of documents still have to be completed to address the environmental issues but believes this can be enacted through construction and

hopefully a NFA from the Department of Environmental Quality (DEQ). He said there is a lot of sensitivity around this issue with future park users and said PDC and HSP has done a great job of making sure users are fully protected. He said the most prudent remedy for long-term use will be taking a two-foot cap of clean fill dirt and applying it over the dirty dirt and pathway issues will be eliminated. He said there is a consent order with Burlington Northern/Santa Fe regarding the groundwater issues and said DEQ is fully on board. He said this project is in the home stretch and PDC is ready to implement this park.

Mr. Mike Abbate stated everybody would like to see this park built sooner rather than later and the idea was to cut the construction package into two different packages. He said this possibility was discussed with the design team and the outcome was it could shave six to ten weeks off the schedule but would mean needing to find a contractor in November to begin grading and earth moving and said it would only save about \$30,000. He said the savings would be good but it would require having to manage two different contracts and that would add a lot of extra complexity to the project and would disrupt a smooth construction process. He said he recommends maintaining the schedule because everyone wants to ensure once it is built that it will last a long time. He said he is concerned if the project is rushed, there will be negative consequences.

Chair Andrews said he is fully supportive of the additional money going into this project, as the community expects a lot out of this project and it will not happen without spending the extra funds.

Commissioner Straus said this is a great project and he is also supportive of the enhancements but said he is not ready to support what has been presented without additional information. He stated he disagrees with how the construction process is being proposed, with the unlimited height and zoning, as parks need sun and not shade. He asked what the height limit will be for buildings going around the park, as a shaded park is a problem.

Mr. Patricia Gardner responded by stating the first 100 feet is limited and a model for solar access had been completed.

Commissioner Straus stated it is reasonable to see how high the buildings are going to be built before setting any height limits. He said with regard to the environmental issues, he understands the two feet of dirt instead of the 15 feet but asked what about an underground parking garage that would serve two benefits by having extra clean soil/reduced risk and much-needed parking. He stated a third party environmental group should be hired to provide an independent review, as the levels set by DEQ and the federal government are for adults and not children or pregnant women. He said with respect to the contracting process, different projects need different approaches. He said he believes parks need an artistic component. He said he believes the work should be done in phases as the design is completed. He said the grading and utility work can be done but the work following this could go out not for a low price but for one that allows freedom to a designer to be intimately involved from the beginning. He further stated the jobs are needed right away and so the rough grading and utilities could be done now and the rest later. He said the economy is seeing a big burst in construction right now and so this part should begin now to avoid cost increases down the road. He said this is a big deal, a legacy project, and said he would appreciate the team returning in a month to address all questions and concerns.

Commissioner Mohlis stated he appreciated Commissioner Straus's questions and concerns but asked if the course changed now, would it keep setting the project back. He stated the underground parking garage demands money we do not have and asked if that would be the right thing to do at this particular time.

Mr. Abbate responded by saying all parties have been working hard to get the schedule down as tight as possible. He said he has a conference call with the consultants tomorrow and the scope of the work can be described and they can be given authorization to proceed. He said the scope and

budget has been well defined and Commissioner Straus's changes would mean several months of delay just to begin the discussions. He further stated the loudest message has been to keep the project going according to schedule and budget. He said the scope and contract review process can be changed but it will mean big changes and delays.

Commissioner Mohlis stated he believes this is the right thing to do at this time. He said there have been problems, however, with the parks that have recently been built going over budget. He said he will be very unhappy if the project goes over budget because this was not properly teed up.

Commissioner Dickson thanked all involved for the presentation. She said this park is obviously a park citizens want to have happen. She said she agrees with Commissioner Straus's environmental concerns and said there could be some environmental issues. She asked whether or not waiting for a while to determine if it is safe beyond what DEQ is stating would be worth the time. She also asked if a third party was brought in to evaluate the contamination concerns, could the project still move forward quickly, assuming the evaluation came back with positive results.

Mr. Obern stated this would not be a third, fourth or even fifth party, as a DEQ toxicologist had been engaged on this issue and said it was not a "drive-by." He said the environmental concerns are extremely important to him and it is important the park be safe for kids. He said he is never opposed to another set of eyes looking at this but said this project has been already worked for three years and ensured the Board it has not been progressing doing bare bones and the parties have gone above and beyond to ensure it is safe. He said the goal with Parks is to ensure the best protection that can be afforded is put in place. He said he would be pleased to provide the Board a more in-depth briefing but said he is confident it is safe.

Commissioner Straus asked if the Board is not expected to see this again until the grand opening in 2012, what the consequences are if it is approved now and we agree to meet in a month to address the concerns.

Mr. Abbate responded by saying Parks will be good if they are able to move forward with the design and contract.

Mr. Jacobson said approval for construction funding is needed in order to keep the project on schedule. He said he is concerned if the resolution is not adopted, it will cause problems being able to stay on target.

Mr. Abbate stated the design work is to be completed in August.

Commissioner Straus asked if the design work could not be finished and could they return to the Board in a few months to speak to the issues.

Mr. Jacobson responded by saying the design work is not able to begin without funding approval.

Mr. Abbate stated if the Board approves, they can describe the base and add backs and these things are not alternates. He said this is how the contractor would proceed.

Commissioner Straus said if the team proceeds with the design of all the elements but came back to the Board and updated them, it seemed like it would be a potential workable approach.

Chair Andrews stated he appreciated Commissioner Straus's concerns and said it would be nice if Mr. Obern would walk the Board through some of the environmental processes. He said he is satisfied the team has gone above and beyond in those areas and would appreciate them trying to do anything they can do to get the project moving forward quickly.

Chair Andrews said he was in favor and made a motion to approve this resolution and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis,
NAYS: Straus

Commissioner Dickson's vote was inaudible but it was confirmed with General Counsel as an "aye."

Chair Andrews stated the resolution is approved but will not take effect for 30 days.

XI. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at approximately 10:03 a.m.

Respectfully submitted,

Approved by the Portland Development Commission June 8, 2011.



Nancy A. Adams
Recording Secretary