

This document constitutes the official meeting record of the June 8, 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 3:01 p.m.

Ms. Tracey Gemma, acting as recording secretary for the Board, called the Commission roll:

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

II. MEETING MINUTES

Chair Andrews stated the May 11, 2011, Meeting Minutes had been updated to reflect a requested change. He called for a motion to adopt the May 11, 2011, and May 25, 2011, Meeting Minutes.

Commissioner Wilhoite stated he did not attend the May 11, 2011, meeting and would therefore not be voting on those minutes.

Commissioner Mohlis moved and Commissioner Dickson seconded the motion to adopt the May 11, 2011, and May 25, 2011, meeting minutes.

May 11, 2011 Meeting Minutes:

AYES: Andrews, Dickson, Mohlis  
NAYS: None May 11, 2011

May 25, 2011 Meeting Minutes:

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

Chair Andrews began the meeting by stating he attended two great events, with one being the Veterans Memorial Coliseum event on Memorial Day. He said it was quite impressive and the memorials had recently been refurbished and said he had not seen them look that good in a long time. He said many dignitaries attended the event, including Mayor Sam Adams. He said it was great to see the passion that comes from the veterans, their family and friends. He said this is the beginning of refurbishment of the Veterans Memorial Coliseum.

He said he also attended the opening of the Bud Clark Commons Resource Access Center. He said there were approximately 300 people that attended the event and it received many kudos. He said this facility will be instrumental in getting people off the street and in a place where they can receive needed treatment.

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*

222 Northwest  
Fifth Avenue  
Portland, OR  
97209-3859

tel: 503.823.3200

fax: 503.823.3368

TTY: 503.823.3366



## III. EXECUTIVE DIRECTOR REPORT

PDC Executive Director, Mr. Patrick Quinton, reiterated Chair Andrew's comments about the Bud Clark opening. He went on to brief the Board on these other recent activities:

- Attended the Oregon College of Oriental Medicine (OCOM), which started construction in Old Town China Town (OTCT). The loan closed May 27, 2011, and after four years, construction is in the making. It is a \$16 million project and had a variety of financing sources. It will bring 250 students from OCOM's current facility to OTCT and more than 2,000 patients per month.
- Portland Youth Builders (PYB) received a \$370,000 loan during 2001 for a new facility in Lents. The loan structure allowed PYB to pay back part of their loan by students working construction projects. Midway through the process, the loan was paid in full by thousands of hours worked (33,000), primarily through the building of single family or affordable homes. This is a great win for the organization and PDC.
- Attended the unveiling of a new charging station. The PDC had the lead in developing this project and it was put in place at a vacant PDC-owned parking lot on NE Martin Luther King Jr., Boulevard. This will help spur development of charging stations. The PDC offered assistance and private companies took over the project. There is now a solar-operated charging station and all components of it were built in Portland. Because it is located in Portland's pacific power grid, all businesses and local residents can utilize it. Chair Jeff Cogen attended the opening event, as well.
- The PDC runs the Mayor's Office of Film and Video and in addition to leveraging the show "Portlandia," there is also a new one called "Grim." Filming will begin late summer and total activity resulting from these projects and others is more than \$110 million through the local economy. Portland continues to get movies and this generates real economic activity.
- As a result of the recent PDC reduction in force, Mr. Quinton issued a personal letter to over 300 business community leaders requesting assistance with helping to find employment for affected employees. Employee contact information and brief bios were also provided. To date, Mr. Quinton has heard from a few dozen of these leaders offering to provide assistance. This is a great reminder of the supportive community we have.
- City Council is currently reapproving the appointment of Chair Andrews for another term as Board Chair. On behalf of the organization, Chair Andrews is thanked for the service he provides and for his commitment to PDC and the city.

Commissioner Wilhoite said there were a lot of great comments made and a lot of activity is taking place. He said the Bud Clark project reflects a good neighbor agreement and is an attractive facility, hoping everyone is equally as pleased with the outcome.

Commissioner Dickson said she had an opportunity to tour the Vestas project and from a construction aspect, she believes it is moving along well. She said it is great to see construction workers busy working.

Commissioner Mohlis said due to a conflict, he was unfortunately unable to attend the PYB activity. He said this was an impressive project which exceeded Minorities, Women & Emerging Small Businesses (MWESB) goals.

## IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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

Chair Andrews stated there was a time certain item on the agenda but since the meeting was running ahead of schedule and not all parties were currently present, asked staff to proceed with regular agenda item, Resolution 6885, "Execute Contract for the Amount of \$550,000 for Construction of King Gateway and Heritage Markers Projects."

## V. AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE CONTRACT FOR AMOUNT OF \$550,000 FOR CONSTRUCTION OF KING GATEWAY AND HERITAGE MARKERS PROJECT

Ms. Irene Bowers stated she had been working on this particular project for over four years and was here to request authorization to execute contracts for the construction of the King Gateway and Heritage Markers project in the Oregon Convention Center (OCC) Urban Renewal Area (URA). She said the project is currently out to bid and the bids are scheduled to close June 22. She said she would first like to start out by thanking PDC's partners, Portland Bureau of Transportation (PBOT), the 12-member Stakeholder Advisory Group and the many members of the larger community who helped shape the project since 2007. She said Metro Council and the MERC Board deserve huge thanks for committing to maintain the site as a community project for the neighborhood.

She said the project is fulfilling longstanding community goals first identified in two neighborhood plans adopted by City Council in 1993; the Albina Community Plan and the Eliot Neighborhood Plan. She said both plans designated this site as a gateway to mark the entrance into the Albina community, saying the plans called for the celebration of the diverse cultural character of the north/northeast neighborhoods.

She said the site is controlled by PBOT and is located north of Broadway along NE Grand Avenue and Hancock Street where Grand Avenue transitions into NE Martin Luther King Jr., Boulevard. She said the project began in 2007, and as part of the action plan, the partners began teasing out what was needed for the community and this is how the design that is being shown today came about.

She said the project consists of two phases and Phase I is the Gateway which indicates you are entering the neighborhoods, featuring 20-foot tall heritage markers that can be seen from Broadway, with 12 interpretive panels which tell the personal stories of the people, places and events which shaped the north/northeast neighborhoods. She said Phase II consists of six, 11-foot tall markers with panels that march up the boulevard and are located at key intersections. She said Phase II is currently unfunded and will be considered as part of the expanded Interstate Corridor Urban Renewal Area (URA).

She said during the Master Plan phase, PDC gathered from the community and other sources over 60 stories of the people, places and events that occurred in the Eliot, Boise, King, Piedmont and Woodlawn neighborhoods (neighborhoods that touch the spine of the community along King Boulevard). She said the interpretive panels were designed around these stories.

She said beside the Heritage markers, the dominate features are two screen walls on each parcel, with one buffering the plaza from the cars traveling by and both form the physical expression of the term "gateway." She said the screen material, perforated weathering steel, was specifically chosen

as homage to the railroads and shipbuilding industries that first brought people to Portland. She said the walls will have two excerpts from Dr. King's famous 1963 "I have a dream" speech.

Ms. Bowers said there are many public benefits to this project which include fulfilling long-standing community goals, promoting neighborhood livability, creating a unique urban space, enhancing cultural assets of Portland's distinctive neighborhoods, and celebrating the diverse cultural character of the north/northeast neighborhoods.

Ms. Bowers said permitting takes place between the May-July 2011 timeframe and bidding closes June 22, 2011. She said general contractor selection ends June 2011, with construction taking place between July-December 2011, with the grand opening taking place January 16, 2012. She said everyone is invited to attend this event.

Chair Andrews said this is a long anticipated project and he is looking forward to it being completed. He said he found it interesting there was a lot of interest in the project but nothing really happened until someone stepped up to maintain it. He thanked Metro, MERC and OCC for their commitment to maintain it.

Commissioner Mohlis said this was a good project and said he particularly appreciates Phase II, with the information on the buildings and enjoys seeing the history on the plaques.

Commissioner Dickson said this is an exciting project to commemorate such a great man. She said it is one of the best projects and will be one of the best streets in the nation for celebrating cultural diversity. She thanked everyone involved for their efforts.

Commissioner Wilhoite said this project was long overdue and knows the community has wanted and demanded it. He said some do not appreciate some of the significance of the project is in maintaining it and said he is happy to know it will be maintained. He said given the other expansions in Interstate, the timing of this is perfect.

Chair Andrews called for motion to approve. Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion.

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

VI. APPROVING THE TWENTIETH AMENDMENT TO THE OREGON CONVENTION CENTER URBAN RENEWAL PLAN

VII. APPROVING THE AMENDED AND RESTATED INTERSTATE CORRIDOR URBAN RENEWAL PLAN AND DIRECTING THE AMENDMENT BE SUBMITTED TO THE PORTLAND CITY COUNCIL FOR ADOPTION."

Chair Andrews said Resolution 6882, "Approve the Twentieth Amendment to the Oregon Convention Center URA and Resolution 6883, "Approve the Amended and Restated Interstate Corridor Urban Renewal Plan and Directing the Amendment be Submitted to Portland City Council for Adoption" would be heard together. He said since Commissioner Wilhoite championed this effort, he was going to step aside and allow Commissioner Wilhoite to introduce the item.

Commissioner Wilhoite said he was honored to introduce this item and was pleased to see so many people in the audience because a lot of people contributed to this effort. He said when the

north/northeast area is referred to, it is important to note it is one of the most populated and diverse areas in our community. He said a lot of priorities were identified for the community it was serving and the project started by looking at the area with PDC's Economic Development Strategy and job creation in mind. He said the goal was to stimulate the economy and make it more livable and more inclusive.

He said the process started in 2009 and PDC worked with minority chambers, CH2A & Associates, Inc. (CH2A) and culturally-specific community members to identify what participants envisioned for the area and to learn what would benefit them the most. He said PDC wanted to do some community outreach and engaged Harold Sr. and Jr. (CH2A) and State Representative, Lew Fredericks, to assist with this effort. He said this effort had to ensure resources would be directed where there would be the best return for the investment. He said after the outreach effort, a year later a board presentation that reflected the community, was delivered. He said he believes this product was truly reflective of the north/northeast population. He said he sees a lot of the individuals in the audience that participated with this effort and thanked them for attending and engaging community members. Commissioner Wilhoite said the key was to arrive at objective results. He said in May 2010, it was agreed to expand the Interstate area. He said it took ten months to affect this significant and diverse community and said ten months is really not that long to accomplish all the activity that has taken place.

Mr. Quinton said he echoed what Chair Andrews said and thanked Commissioner Wilhoite for his leadership, saying he served a vital role. He also thanked staff for all the hard work on this project and acknowledged those in the audience for their participation. He said the new Neighborhood Economic Development (NED) Strategy will help to articulate neighborhood needs. He said this amendment pulls into the existing URA and the corridors that bring about job creation. He said the NED Strategy anticipates the expansion and will play a big part in north/northeast Portland. He said the timing is good because the NED strategy launches the same time as the expansion and will be a lens for creating priorities in that area. Mr. Quinton said with a \$35 million reduction in URA's, this requires all to be even more diligent and strategic when developing priorities for an area.

Chair Andrews invited staff members forward to discuss this item.

Mr. John Jackley said he and Ms. Morgan Masterman will be giving a staff presentation followed by some public comments. Mr. Jackley shared what the neighborhood looks like and said the Interstate Amendment expands the Interstate Corridor (IC URA) by approximately 186 acres. He said the expansion areas include the property proposed for removal from Oregon Convention Center (OCC) URA by the OCC Amendment, additional properties along MLK, portions of Alberta and Killingsworth, the south side of Lombard Street and the St. Johns Town Center, including Roosevelt High School. He said this amendment also removes approximately 230 acres of undevelopable right-of-way along Interstate 5 and the Columbia Slough. He said the IC URA Amendment is a substantial amendment and will be going to City Council after adoption by the Board and subsequent recommendation by the Planning and Sustainability Commission.

Mr. Jackley said he wanted to thank Ms. Morgan Masterman for providing the voice-over on the video that was prepared. He said PDC takes equity seriously and the expansion being requested will not only expand the district but will also expand equity and access to resources. He said during the process, they heard what was important and over 1,000 residents participated in the hearings over the course of nine months. He went on to explain the benefits of this project. He said at this point, he said Ms. Masterman will walk the Board through the data and outcomes of the process.

Ms. Masterman said the Board will be asked today to implement actions resulting from the 21-member advisory committee. She said the community will recognize many benefits as a result of their actions. She pointed out the map and explained the expansions being proposed in the IC and OCC URA areas. She said it is important to note that during the committee discussions, given the current capacity of \$220 million, priority projects will now be able to be completed. She said the OCC will be decreased from approximately 600 acres to 400 and the IC will be expanded from 3,800 acres to 3,990 acres. She said the final steps are going to the Planning and Sustainability Commission on June 28, and City Council on July 27 for a vote.

Chair Andrews thanked Mr. Jackley and Ms. Masterman and said questions would be held until after public testimony.

Mr. Harold Williams Sr., representing CH2A, said it was a pleasure to be giving testimony and said he was here to hopefully close out a great game that had a tremendous coach, Commissioner Wilhoite and a great assistant coach, Mr. John Jackley. Continuing an analogy to a football game, he said these coaches hired two linemen (referring to himself and Mr. Harold Williams Jr.) to clear the way in making this effort a reality. He said their work was to conduct 500 interviews, with 80 of them being face-to-face interaction. He said this was to determine those that wanted to play and be part of the process. He said they made it clear that historically, a lot of people had been waiting for over 50 years to make something happen for this area and to assure them PDC was committed to now making something happen. He said he wanted to commend PDC and the Board, specifically Commissioner Wilhoite, for their efforts and following through on their commitment. He said many in this area have been waiting a long time to have support and get the community involved to expand business but did not have financial support in the past to move forward. He thanked PDC again for this opportunity to move this forward and said now it is about work, work and more work.

Mr. Harold Williams, Jr., also representing CH2A, said the community is ready to move forward. He said all kinds of crafts and other businesses are ready to go. He said this is the last step to establish these blocks and get the next generation ready to go. He said this effort started off in people's living rooms, coffee shops, and basements. He said the charge was to provide an opportunity to get the community involved and to go forward with the NED strategy.

Commissioner Wilhoite said there will likely be some individuals trying to block this effort in the future but the plan is in place and the key is implementation. He thanked everyone for their efforts and for their commitment to the community.

Commissioners Mohlis and Dickson echoed Commissioner Wilhoite's sentiments and thanked him for his phenomenal job as coach to this effort.

Chair Andrews called Mr. Lew Fredericks and Mr. Roy Jay to provide testimony.

Mr. Lew Fredericks, Principal with Northwest Ideas, said along with the people in the community, they are proud to be part of this effort and thanked their partners. He said as they looked at URAs, people got involved and some of the businesses needed to be inside the boundary and the north/northeast initiative spoke to it. He said this was an authentic process and involved multiple stakeholders. He said many people were involved, came to listen, and were also watching the process on television. He said the research and questions really helped determine what people wanted to see in the future. He said good, solid research was put together and people had the time to process the information they were given and to provide input. He said he was very pleased to see what had transpired and how the process was being conducted. He said now he was speaking wearing his legislative hat, saying much of the work that is transpiring is within in his district. He said

in this district, there are 147 Brownfields and the state legislature, house, and senate unanimously passed a bill he sponsored which would be signed by the Governor soon to get all Brownfields cleaned up. He said this will allow new areas in this vicinity to no longer be responsible for the contamination in those sites. He said he is very pleased about this effort.

Mr. Roy Jay, African American Chamber, said ten months seemed like ten years and everyone deserves a lot of credit for bringing people together. He said this process was a true labor of love. He said this process goes to show how many people showed interest and said he applauds Commissioner Wilhoite for his leadership with this activity. Mr. Jay said it is a process and now we are at a point where it needs to move forward, as it is a good thing for the community. He said it is something everyone had a lot of interest in and many people voiced desires. He said he encouraged the Board to make a decision that supports this resolution and thanked everyone for their time.

Commissioner Wilhoite thanked them again for not only support on this effort but for helping out with many initiatives that are being accomplished in this district. He said the needed resources are now available and now PDC and others need to figure out where the monies need to be spent. He thanked all involved for their involvement and insightful direction.

Commissioners Dickson and Mohlis echoed Commissioner Wilhoite's sentiments.

Ms. Gale Castillo, Hispanic Chamber President, said she was a former PDC Commissioner and is in support of OCC. She said she participated as a member of north/northeast coalition and agrees with how the changes will support competitiveness, economic growth and equity. She said Portland is now the city with the largest Latinos in Oregon, with over 64,000 in Portland and Salem being the second, with 31,000 Latinos. She said this action speaks to Latinos in north/northeast, as a lot of them live and have businesses in this area. She said her organization will work closely with PDC and others to find financing and other resources in an effort to support Latinos and small businesses. She said she views this action as an important step in continuing to help small businesses and urges support of the recommendations.

Commissioner Wilhoite thanked Ms. Castillo and the Hispanic Chamber for their support and guidance. He said he did not believe there were too many people in Portland that didn't know of Ms. Castillo and her commitment to support the community. He said he appreciated her balanced views and really appreciated her time, saying she provides the right kind of involvement and gets the right kind of people involved.

Commissioners Dickson and Mohlis echoed Commissioner Wilhoite's sentiments.

Ms. Adrian Livingston, Black United Fund Executive Director, said she appreciates the commitment to the community and having diversity around the table to help frame the issues and identify where the effort is headed. She said she was raised right off Killingsworth and has had the opportunity to work with the Black United Fund for over ten years. She said as someone that has lived in the area, is here today to express support for the expansion. She said currently, they are not in a URA and so cannot take advantage of dollars and tax increment funded products PDC has to offer. She said the Black United Fund wants to create non profits for the black and low-income community and this will help many people. She said this expansion directly impacts the Black United Fund and the community at large and she implores the Board to vote in favor of the expansion.

Commissioner Wilhoite thanked Ms. Livingston for her commitment with the Black United Fund. He said he was uplifted by people like her, who express their opinions whether negative or positive, as it is a good sign of balanced involvement.

Commissioners Dickson and Mohlis echoed Chair Wilhoite's comments.

Chair Andrews called Mr. Eli Haworth, Mr. Damian Hall, and Ms. Babs Adamski to provide testimony.

Mr. Eli Haworth, Sakura Urban Concepts, said he is a development manager for a small development company on NE Martin Luther King Jr., Boulevard (MLK) and has been involved in this area for ten years. He said right now they are focused on the Woodlawn area and he is representing not just Sakura Urban Concepts, but small business and property owners who have had plans in the area but have had their plans killed because of lack of funds. He said the Woodlawn area, in particular, is a really beautiful blossoming area but it has been stuck for the last three years. He said his company would like to do a number of projects, and had they been in a URA, he said they would have already been done. He said he definitely hopes the Board votes in approval of this expansion.

Mr. Damian Hall, OCC URA Advisory Committee, said he was representing the URAC in support of the amendments. He said they want to continue seeing the revitalization and economic development of MLK and Alberta street areas. He said to this point, PDC and the city has invested a lot of public funds through the OCC URA and has made a lot of improvements to this area. He said these amendments will allow for the continued public investment that is necessary to move many projects and programs forward.

Ms. Babs Adamski, Chair of St. John's Neighborhood Association, said the Association provided a letter in support of the IC and community and it outlined the vision. She read the letter verbatim (refer to Attachment A).

Chair Andrews thanked all of the individuals for their testimony.

Commissioner Mohlis thanked everyone for taking time to provide testimony. He said he wanted to also thank the countless others who took the time and effort within their neighborhoods to make things happen. He said he appreciated all of them for working every day to make things better for their community.

Commissioner Dickson said she agreed and echoed the sentiments given by Commissioner Mohlis.

Commissioner Wilhoite thanked Mr. Hall for his work with the OCC URAC and all the other initiatives he supports. He said he had played an instrumental role and his legal background was very valuable.

Chair Andrews asked if there were any others to testify and as there were none, invited Mr. John Jackley and Ms. Morgan Masterman back for questions.

Chair Andrews asked if PDC is making sure they are receiving input from the county and school districts but said he has heard they are supportive.

Mr. Jackley said they briefed county commissioners and they were all encouraged, support and understand the initiative. He said the county issued a letter to City Council in support of this effort.

Ms. Masterman said an additional letter of support was issued from Portland Public Schools and it is contained within the Board's documents (Refer to Attachment B).

Chair Andrews said from a technical perspective, he would like for them to explain the two resolutions.



Ms. Masterman said the first resolution removes approximately 160 acres from the OCC and the second resolution includes that, as well as other properties inside the IC. She said the IC has to be approved by City Council and the OCC is a minor amendment which does not require further approval. She said both of the resolutions have been set up with the effective date of the IC so at no time will any of the property not be within a URA.

Commissioner Wilhoite said it has been an honor to serve on the project because there has been such great staff and community support. He then asked staff to summarize what primary opposition or resistance there has been associated with this effort.

Mr. Jackley responded by saying when the process first began, most of the concern revolved around PDC and not doing what it said it was going to do. He said there had been negative press with PDC awhile ago and the agency had been working the past few years to turn this around. He said PDC has invested a lot of time speaking with community leaders, churches, faith-based affiliations, and all walks of life to learn about their priorities, issues, etc. He said PDC put together committees that got everyone involved in the process. He said as he recalls, at the end of the process there were no negative votes. He said they had representatives from the IC and OCC URACs involved. He said initially the IC URAC was not supportive but after many more meetings and involvement where the people watched and became involved with the process, they were in favor.

Commissioner Dickson said she attended one meeting and Commissioner Wilhoite did an outstanding job. She said just the fact that there was such a variety of people, with all having their own agenda, was outstanding.

Chair Andrews thanked everyone and for a great report.

Chair Andrews made motion to approve Resolution 6882, “Approving the Twentieth Amendment to the Oregon Convention Center Urban Renewal Plan,” and 6883, “Approving the Amended and Restated Interstate Corridor Urban Renewal Plan and Directing the Amendment be Submitted to the Portland City Council for Adoption.”

Commissioner Wilhoite moved and Commissioner Dickson seconded.

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

Chair Andrews said Commissioner Wilhoite needed to adjourn the meeting early and so it was necessary to skip ahead to agenda Item 9, Resolution 6886, “Amend Urban Renewal Advisory Committee Policy to Allow Terms for Up to Three Years,” as it required his vote.

#### VIII. AMEND URBAN RENEWAL ADVISORY COMMITTEE POLICY TO ALLOW TERMS FOR UP TO THREE YEARS

Mr. Keith Witcosky and Ms. Kimberly Branam introduced themselves. Mr. Witcosky first recognized the team of Ms. Joleen Jensen-Classen, Ms. Juanita Swartwood, and Ms. Julie Rawls for their work on this effort. He said this action would allow the Board to extend terms to one, two, or three years. He said the current policy only allows for three-year terms. He said this effort kicks off about a year of public participation activity to start reviewing the more comprehensive update. He said it was also time to look at this policy as we no longer have housing in the PDC portfolio and we did not

have a concentrated NED Strategy when the policy was initially developed. He said it became clear it was time to examine URACs, best practices and learn from methods and models from the NED strategy. He said the team wanted to be looking at URACS and memberships to determine if the right mix of expertise was established and to determine what needed to be done with URACs, Boards, and others.

Mr. Witcosky said right now the policy is set up with three-year terms but will basically be seeing large chunks of membership leaving at once. He said this action would provide the Board with the ability to stagger terms which is important. He said some of the next steps will be during the summer 2011, with term limit adjustments to the URAC being presented to the Board during this meeting. This period will also be used as a time to seek feedback on strengths and weaknesses of the current URAC structure, and the NED Leadership group will call for nominations during the summer 2011, as well. He said during the winter/spring 2012, they will discuss options for potential further URAC policy changes with PDC Board and the community and in the spring/summer 2013, will consider potential recommendations to the URAC policy. He said they will have a year of outreach and this will help them figure out what works well and what doesn't.

Ms. Branam said she was there to answer questions about the NED Strategy but was really looking to determine how, at a citywide and neighborhood level, this works.

Chair Andrews said this came to his attention a few weeks ago when he was given a chart showing the term expirations and revising the policy just made sense. He said he is not sure how to manage URACs when everyone expires at the same time. He said North Macadam, in particular, would lose the entire group and this action seems like a much better solution to keep continuity. He said starting to stagger terms so they do not all expire at the same time makes sense. He said when you pull in the NED Strategy goals and how individuals get pulled into the process, it simply makes sense.

He said although no citizens signed up to testify, he asked if there was anyone present that wanted to speak to this item.

Chair Andrews called Ms. Patricia Gardner, Mr. Patrick Gotmaker, and Mary Ann Schwab to provide testimony.

Mr. Patrick Gotmaker, said he is the land use co-chair for the OTCT Neighborhood Association and is Co-Chair with Ms. Patricia Gardner for the River District (RD) URAC. He said they actually heard about this policy being revised in February 2011 when Ms. Joleen Jensen-Classen sent them an informal letter saying the policy and memberships were going to be reviewed. He said from their perspective, the information was vague and last week this item picked up steam. He said from a terms perspective, it does not make sense to have all 14 members of the RD URAC expire all at one time but feels limiting terms to one year does not make sense and more discussion should take place before the policy change is adopted. He said after doing this business for over 14 years, he has learned URACs are very complex and so to have a person serve only one year does not make sense, as it takes that long to understand all of the issues and learn the process. He said a one-year term is not effective as a URAC member and so he does not agree with this action.

Ms. Patricia Gardner, Co-Chair River District URAC, said she had no problem with looking at the policy but said they have challenges with this. She said she is worried the policy is changing without engaging the right people and said it seemed backwards from her point of view. She said she sees the URACs as partners and believed they were left out of the process and their input should have been solicited. She said along with being left out of the process, she has also heard from Committee members and they are very concerned about one-year terms.

Ms. MaryAnne Schwab, said she lives in the Sunnyside neighborhood. She said they have been tracing the Burnside Bridgehead and Washington-Monroe recreation center and it has taken a long time to just shift the boundary one percent, 6.1 acres. She said by having these shorter terms, she believed they will lead to losing history of the housing efforts and will prevent the community from

understanding how to meet the needs of the people. She said by having someone new and shy to the process will impact their ability to operate effectively. She said she has been through three executive directors, three mayors, three parks, and she plans to be around for a long time. She believes one year is not enough for a citizen to get “wet” and there needs to be enough overlap from the old and new members so you do not lose the continuum.

Chair Andrews said he heard their concerns and to some extent understands their issues. He said he believes this change actually provides more flexibility. He said no matter what the Board does, individuals will still question why PDC did or did not add someone to the membership. He emphasized this change was not designed for anyone or any URAC specifically, but believes it is designed to better allow PDC to manage the URAs and to be more flexible.

Commissioner Wilhoite said he appreciates the comments. He said it is a system and continuity is important. He said PDC has the ability to approve new or to extend terms and he does not see where they would arbitrarily approve someone and so he does not believe there needs to be concern in that regard. He said the Board will look at each situation and make a decision based on an individual basis. He asked staff if PDC has limits on how long anyone can serve.

Mr. Witcosky responded by saying the current term limit is six years and this does not change with this action.

Commissioner Mohlis said he appreciates those coming in to express concerns and views this action as an option to recalibrate the policy and nothing more. He said he would have difficulty voting on anything other than a three-year term, unless there were special circumstances, as it takes a URAC member too long to get up to speed.

Commissioner Dickson said she does not find this disrupts continuity and said PDC needs to articulate what we are doing going forward. She said she sees this policy update and review process as an opportunity to get more diversity into the process and to get others involved.

Chair Andrews made a motion to approve and Commissioner Wilhoite moved and Commissioner Mohlis seconded.

#### IX. AUTHORIZE PREDEVELOPMENT GRANT TO PACIFIC NORTHWEST COLLEGE OF ART

Ms. Sarah Harpole said this resolution authorizes a \$740,000 grant agreement with Pacific Northwest College of Art (PNCA) for predevelopment activities including completion of 20 percent construction drawings and due diligence regarding the rehabilitation of the 511 Building for expansion of PNCA’s campus.

She said the completion of the campus master plan will be done by exploring how the surrounding properties may be used for the consolidation and relocation of PNCA’s existing campus functions and the properties to be considered includes Block R, owned by PDC.

She said this project is intended to more fully inform PNCA’s redevelopment plans and capital campaign needs. She said the key terms of the grant include 1) PDC funding provided on 50 percent reimbursement basis (matched by PNCA), 2) work initiated by December 31, 2011, and completed within 12 months, 3) PDC funds refunded if PNCA stops work, unless it is beyond PDC’s control, and 4) it meets or exceeds PDC Green Building and Business and Workforce Equity policies.

She said the summary of the project sources and uses is a 50/50 match for a total budget of \$1.48 million and the majority will be utilized for activities related to the 511 building.

She said PNCA was founded in 1909 and currently offers nine BFA and three MFA programs and is spread over five campus buildings locate in NW Portland, two student housing facilities located in southwest Portland and the Museum of Contemporary Art.

She said PNCA was notified by the General Services Administration (GSA) in 2008 of the approval to transfer the 511 building to PNCA through the Public Benefit Conveyance Program at a 100 percent discount if the property was utilized for educational purposes for 30 years. She said it is anticipated the property will be received during the 2012-2013 timeframe once the current federal tenants are relocated and PNCA plans to occupy the building in 2014. She said rehabilitation of the building will double the size of PNCA's campus by adding 130,000 students.

She said PNCA will also explore opportunities to relocate their existing functions to the Broadway Corridor area surrounding the 511 Building and these uses include 100,000 square feet to replace existing facilities and 250 beds for student housing. She said PDC is currently exploring PDC's Block R and other properties as part of the analysis and preliminary discussions are taking place with the other property owners.

Ms. Harpole said this project furthers the goals identified in the PDC Strategic Plan and Portland Economic Development Strategy. She said PNCA can serve as a potential institutional anchor for an education and employment district in the Broadway Corridor area, including an initial investment of \$25-30 million in the 511 Building and leveraging redevelopment of surrounding properties for PNCA for other synergistic uses. She said PNCA will exceed PDC's Green Building and Business and Workforce Equity policies even though these are not technically triggered. She said this supports growth of PNCA and their role in workforce training.

She said by 2015, PNCA projects will increase enrollment by 400 students, create 50 additional administrative/faculty positions, will add two BFA and 3 MFA programs, and will increase attraction of out-of-state resources.

Chair Andrews thanked Ms. Harpole for the straight forward presentation and said he was intrigued by this amazing organization in terms of its faculty and the amount of graduates that have moved on. He said more importantly, it is bringing together people from several buildings from several areas into one location into OTCT and sees this as a great opportunity for PDC and PNCA.

Chair Andrews called Mr. Tom Manley and Mr. Al Soleheim to present testimony.

Mr. Tom Manley, PNCA President, said this is a great opportunity for a college that has been a mainstay for the college and culture for over 100 years and incubating businesses. He said with the 511 building, he believes they have the opportunity to anchor Portland's creative corridor. He said when we look at the building and its iconic past, it is important to note it has one of the true creative capitals in the world, with over 100 artists and scholars and 50 visiting artists that come to the college every year. He said it generates real and creative capital. He said plans call for enrollment growth and in two more years, they will have programs that attract local and national attention. He said he appreciates the Boards consideration on this proposal and said he believes they will do great things for the economy and Portland.

Mr. Al Soleheim, PNCA Board Chair, said he echoed Mr. Manley's comments. He said PNCA is over 100 years old and when it was getting established, 13<sup>th</sup> street was a dirt path and the area was dormant. He said he sees this as a great extension of the Pearl District and is an iconic building. He said he believes this is a great opportunity for PDC, the city and PNCA.

Commissioner Dickson thanked the gentlemen for their amazing 100-year history and asked how confident they are construction will be taking place.

Mr. Manley responded by saying he is 100 percent certain this will go forward. He said the only question is the timing of when the federal agencies currently in the building will move. He said he understands one group is due to move this summer. He said if they are delayed, they will use the time to better plan for the future and to raise monies but said this building is PNCA's future and they cannot wait to occupy it.

Commissioner Mohlis thanked everyone for their work and said it is a great building and as PNCA had articulated, agreed it was a great location. He thanked them for bringing this item and said it is a good use of the \$740,000 for the grant. He stated that he understood this was and would be the full extent of PDC contribution to the project. Mr. Manley responded, yes, that is the intent.

Chair Andrews invited Ms. Patricia Gardner back for testimony.

Ms. Patricia Gardner stated she was providing testimony on behalf of the Pear District URA. She said they had been working a long time on this project and to bring vitality into this area. She said what PNCA is doing is catalytic and she and the URAC are totally supportive of what is being done and encouraged PDC to support this action.

Chair moved motion and Commissioner Dickson moved and Commissioner Mohlis seconded. As there were only three Board members present for this item, the resolution shall become effective 30 days from its adoption.

AYES: Andrews, Dickson, Mohlis

NAYS: None

#### X. UPDATE ON THE FY 2011-12 APPROVED BUDGET

Ms. Julie Cody and Mr. Tony Barnes said they were present to give the Board an update on the FY 2011-12 budget process. Ms. Cody said this is an opportunity for the Board to request any financial changes to the budget City Council adopted May 25, 2011.

Mr. Tony Barnes stated the budget was approved by City Council May 25, 2011, and delivered to the Tax Supervising and Conservation Commission (TSCC) on May 26, 2011. He said the TSCC will be holding a hearing with the Board on June 22, 2011, in accordance with local budget law procedures. He said the hearing of the TSCC has to occur before the final budget can be adopted.

He said the total budget adopted was \$208 million which includes \$157 million for planned expenditures. He said there were few changes, with one being to include about \$4 million for the Nelson project which may close in July instead of June 2011. He said another change was to properly classify how the Headwaters project shows up in the budget. He said in total, the approved budget is 15 percent less than the 2010-2011 revised budget. He said it should also be noted the administrative category is down about \$7.2 million and this is a result from cost savings that were identified through the budget process and also from our true costing efforts which moved costs out of administrative and into the appropriate business lines.

Chair Andrews asked if moving costs out of administrative and into the business lines is a result of the software we have had for a few years which allows staff to track their actual costs.

Mr. Barnes responded by saying yes, this new software allows PDC to capture actual costs.

Mr. Tony Barnes said the general fund allocation is actually larger than it had been in years, with next year's general fund allocation totaling \$5.7 million. He said this marks a significant investment in the NED Strategy, traded sector job creation and cluster industries.

Mr. Barnes said the next step will be to come before the Board during the June 22, 2011, Board meeting for the TSCC hearing. He reminded the Board the TSCC Board will pose budget-related questions to the PDC Board and they will respond to the questioning. He said the budget would then be certified and the Board would take action to adopt the budget, which will include some final staff allocations that need to be approved. He said this will also include final estimates on property management revenues and expenses and will also provide final estimates for the Portland Housing Bureau Intergovernmental Agreement.

Chair Andrews said he wanted to point out two of the major changes, one being the Headwaters project moving into the correct budget category and then adding approximately \$4 million to next year's budget for the Nelson acquisition, as it will likely close in July instead of June 2011. He said the general fund experienced a significant increase and he wanted to thank Mr. Quinton and Mayor Adams for this support. He said PDC has done an outstanding job of working with Council so they truly understand our needs.

Commissioner Dickson thanked the staff for all of their hard work and asked if the \$1.7 million one-time fee supported the NED Strategy and if so, does this mean it exists next year, as well.

Ms. Cody said yes, it is a one-time fee that supports the NED Strategy but it is not guaranteed for future year budgets.

Commissioner Mohlis said the budget process between PDC and the city has been a good process and he appreciates that it is transparent. He said this process has really improved over the years and he thanked Ms. Cody and Mr. Barnes, as well as those not currently in the room, for all of the good work.

Commissioner Dickson asked in terms of the administrative line item, would PDC be expecting those numbers to be lowered next year.

Mr. Barnes responded by saying he was if the administrative portion of the budget would be lowered again next year but said it is likely there will be some additional enhancements.

Chair Andrews said the software is now in place to allow staff to capture true costs and believes the budget will only continue to more accurately reflect our work and will only get better.

XI. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 5:11 p.m.

Respectfully submitted,



Recording Secretary