

Tom Kelly
Chair

Gustavo J. Cruz, Jr.
Commissioner

Mark Edlen
Commissioner

Alisha Moreland-Capua
Commissioner

William Myers
Commissioner

Charlie Hales
Mayor

Kimberly Branam
Executive Director

This document represents the official meeting record of the December 14, 2016, Portland Development Commission (PDC) Board of Commissioners (Board) meeting held at Eastside Exchange Ballroom, 123 NE 3rd Avenue, Portland Oregon 97232. The full video recording of this meeting can be found at: https://www.youtube.com/watch?v=buGzqa556_E

1. Call to Order and Roll Call

Chair Kelly called the meeting to order at approximately 12:37 p.m. Pam Micek, PDC Board recording secretary, called the PDC Board roll:

Chair Tom Kelly	PRESENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Mark Edlen	PRESENT
Commissioner Alisha Moreland-Capua	PRESENT
Commissioner William Myers	PRESENT

2. Commissioner Reports

Commissioner Cruz

- Attended United States Post Office Ceremony on November 22, 2016

Commissioner Edlen

- Several meetings with De LaSalle North
- Number of calls around marketing for the USPS ceremony
- Number of meetings with Ecotrust

Commissioner Moreland-Capua

- Nothing to report

Commissioner Myers

- Attended interviews for new Director of Social Equity, Policy, and Communications at PDC

Chair Kelly

- Attended United States Post Office Ceremony on November 22, 2016
- Attended the Broadway Corridor listening session on December 7, 2016
- Attended the usual check ins with the Mayor

3. Executive Director Report

- Announced the exciting news that Mayra Arreola will be joining PDC as the new Director of Social Equity, Policy, and Communications.
- Attended, and PDC sponsored, the 13th annual NAYA Gala event Friday, December 11
- Applications for PDC's Community Livability Grant program closed Monday, December 12 at 5 p.m. As a reminder:
 - The December 12 deadline was for projects in the Gateway, Lents, or Central Eastside urban renewal areas or in the Old Town/Chinatown neighborhoods
 - PDC will open applications for the Interstate Corridor URA in early 2017, after the completion of the N/NE Community Development Initiative Action Plan
- On November 22 hosted a great event with the United States Postal Service to recognize the transfer of ownership of the USPS facility in the River District
 - U.S. Representative Earl Blumenauer, Mayor Charlie Hales, Commissioner Dan Saltzman, Commissioner Amanda Fritz, along with many past and present PDC Board members, joined by about 60 people to mark this significant milestone.
 - Thanks to the many PDC staffers who helped to make this possible
- Acknowledged that the Portland Seed Fund just celebrated its five-year anniversary on November 30. PDC hosted a Community Hour event for the Alberta Commons project on December 6
 - Representatives from Natural Grocers, Colas Construction and the artists creating some of the work that will be featured at the project were on hand
 - Thanked Tory Campbell, Kim Moreland, Kate Deane, Lisa Norwood and many more PDC staffers who helped make this event possible
- I want to acknowledge the outstanding Broadway Corridor Visioning Workshop PDC hosted on December 7
 - Approximately 200 attendees participated, compelling panelists and a very engaged and thoughtful discussion
 - Thanked Sarah Harpole and Jillian Detweiler for managing the event and preparation
 - Thanked Michael Gurton for his work to secure panelists, Lisa Norwood for the technology solutions, Anne Crispino-Taylor for running point on so many key details, Lisa Abuaf for supporting the team, and many others who pitched in to help in the final weeks and hours leading up to the event.

4. Meeting Minutes

Chair Kelly called for a motion to approve the October 12, 2016 PDC Board meeting minutes. Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers
NAYS: None

5. Public Comment for Items Not on Agenda

No public testimony was presented.

CONSENT AGENDA

6. **Action Item: Resolution 7221 - Authorizing the Executive Director to Execute Documents Related to PDC Board-Approved Real Estate and Loan Transactions.**

With this action, the PDC Board will authorize the Executive Director to execute all documents related to completing PDC Board-approved real estate or loan transactions, such as but not limited to conveyance deeds or trust deeds of reconveyance. Delegating to the Executive Director all authority necessary to complete a real estate, loan, or loan modification transaction will generate greater administrative efficiency and avoid potential delay and impact often associated with documents that must be amended and executed in close proximity to a closing deadline.

Chair Kelly called for a motion to approve Resolution No. 7221; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers

NAYS: None

REGULAR AGENDA

7. **Action Item: Resolution 7222 - Amending the Terms for a Parking Structure Development Agreement with Mortenson Development for the Design and Construction of the Convention Center Hotel Parking Garage.**

Eric Jacobson, Project Manager II

With this action, the PDC Board will authorize amended terms for the development of a parking garage on a 0.88-acre PDC-owned property at the corner of NE 1st Avenue and NE Holladay Street (Block 49) in the Oregon Convention Center Urban Renewal Area (URA). The terms previously authorized by the PDC Board on February 10, 2016 by Resolution No. 7165 included an estimated budget and Lump Sum Contract Price of \$25,895,391. The amended terms include a revised budget and Lump Sum Contract Price of \$32,200,000.

When constructed, the 442-stall PDC-owned Parking Garage (Garage) will meet several public objectives: (i) supporting the yet-to-be-built 600-room Convention Center Hotel (Hotel) by providing required customer parking facilities; (ii) providing ground floor space and parking to TriMet for critical agency operations; (iii) providing a platform for development of an office building on top of the Garage; and (iv) creating a long-term revenue stream to PDC in the form of valet and other parking income.

Commissioner Edlen asked who will own the Garage and drawings if PDC terminates the agreement. Mr. Jacobson stated that he thinks PDC would but he will research the questions.

Chair Kelly called forward guests to testify.

Thomas Lander, Vice President Mortenson Development
Scott Cruickshank, Executive Director Oregon Convention Center

Commissioner Edlen requested that in the future Mortenson use a higher content of local people because these are tax dollars and he would love to see the dollars go back into the community. Commissioner Edlen concluded by stating he greatly appreciated their investment.

Chair Kelly called for a motion to approve Resolution 7222; Commissioner Myers moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers
NAYS: None

8. Action Item: Resolution 7223 - Authorizing a Purchase and Sale Agreement to Convey a Condominium Interest in the Convention Center Hotel Parking Garage Consisting of Approximately 19,000 Square Feet and 47 Parking Spaces in the Oregon Convention Center Urban Renewal Area to Trimet for \$9,000,000. 1:20pm

PDC Staff Presenting this item:
Eric Jacobson, Project Manager II

With this action, the PDC Board will authorize the Executive Director to execute an Agreement for Purchase and Sale of Property (PSA) between PDC and TriMet for the conveyance of a condominium unit in the Convention Center Hotel Parking Garage (Garage), consisting of approximately 19,000 square feet of commercial space and 47 secured parking spaces (TriMet Condominium), for the consideration of \$9,000,000. TriMet is purchasing the TriMet Condominium to operate a transit police precinct. The Garage will be constructed on the PDC-owned parcel known as Block 49, which is located in the Oregon Convention Center Urban Renewal Area (URA) and is bounded by NE 1st Avenue, NE Holladay Street, NE 2nd Avenue, and NE Multnomah Street (see project summary in Attachment A) (Garage Property). The Garage, which is being developed by PDC in accordance with a Parking Structure Development Agreement with Mortenson Development to support the adjacent Convention Center Hotel (Hotel), will include approximately 442 parking spaces and 33,200 square feet of commercial space. Upon completion, the Garage will provide a minimum of 375 parking spaces to support the Hotel.

Chair Kelly called forward guests to testify.

Steve Witter, Executive Director TriMet's Capital Projects & Construction Division

Chair Kelly called for a motion to approve Resolution No. 7223; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers
NAYS: None

At approximately 1:24 p.m. Chair Kelly adjourned the PDC Meeting and convened the Local Contract Review Board.

CONVENE LOCAL CONTRACT REVIEW BOARD

9. Action Item: Resolution 7224 - Adopting Findings in Support of and Exempting the Convention Center Hotel Parking Garage Project from Competitive Bidding. #7224

PDC Staff presenting this item:
Eric Jacobson, Project Manager II

With this action, the PDC Board, serving in its capacity as PDC's Local Contract Review Board (LCRB), will adopt a resolution in support of an exemption from the general rule of low-bid solicitation for the design and construction of the Convention Center Hotel (Hotel) Parking Garage (Garage). The Garage will be constructed on a 0.88-acre PDC-owned property at the northwest corner of NE 2nd Avenue and NE Holladay Street in the Oregon Convention Center Urban Renewal Area (URA). If approved, the resolution will exempt the Garage from the low-bid solicitation requirements in accordance with Oregon Revised Statutes (ORS) 279C.335. ORS 279C.335 and PDC's LCRB Administrative Rules (LCRB Rules) provide that the LCRB may exempt certain public contracts from the low-bid process upon the LCRB making the following findings:

1. It is unlikely that such exemption will encourage favoritism in the awarding of a public contract or substantially diminish competition for the contract; and
2. The awarding of public contract under the exemption will result in substantial cost savings to the agency.

The findings supporting the exemption are attached to Resolution No. 7224.

A design/build contract with Mortenson Development (Mortenson) is proposed as an alternative to low-bid contracting for the Garage. Mortenson is part of the team competitively selected by Metro – owners and operators of the Oregon Convention Center – for the development and construction of the Hotel. The Garage will have approximately 442 parking stalls, 375 of which will be dedicated to the 600-room Hotel. Approximately 19,000 square feet of commercial space and 47 parking stalls will be sold for \$9,000,000 to TriMet, which has long desired to own a facility adjacent to the Rose Quarter Transit Center. In addition, the Garage will include 114 bike parking stalls, have additional ground floor retail space, comply with Green Garage Council sustainability standards, and be constructed to support additional vertical square footage development, should PDC elect to exercise air rights development in the future. Construction of the Garage is scheduled to begin in summer 2017, with completion by summer 2020, commensurate with the opening of the Hotel.

Chair Kelly called for a motion to approve Resolution 7224; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers

NAYS: None

At approximately 1:34 p.m. Chair Kelly adjourned the Local Contract Review Board and reconvened the PDC Meeting.

CONVENE PDC MEETING

10. Action Item: Resolution 7225 - Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for the Final Design and Construction of the Foster Streetscape project in the Lents Town Center Urban Renewal Area; Providing Funding in an Amount Not to Exceed \$1,453,956

PDC Staff presenting this item:
Leila Aman, Project Manager II

With this action the PDC Board will authorize the Executive Director to enter into an Intergovernmental Agreement (IGA) between PDC and the City of Portland (City) Bureau of Transportation (PBOT) providing funding in an amount not to exceed \$1,453,956 to implement final design and construction of the Foster Road Transportation and Streetscape Plan Improvements East of 82nd Avenue (Foster Streetscape Project). If approved, this action will allocate funding from PDC to PBOT to complete a high-priority transportation improvement project, improving safety and access on SE Foster Road from SE 82nd to SE 91st avenues in the Lents Town Center Urban Renewal Area (URA). In addition the PDC's financial contribution to the Foster Streetscape Project, PBOT will provide \$3,000,000 for a full repaving of SE Foster Road from of SE 82nd to SE 91st avenues funded through PBOT's Fixing our Streets Program and \$122,030 of PBOT System Development Charges.

Chair Kelly called forward guests to testify.

Rich Newlands, Capital Project Manager Portland Bureau of Transportation

Mathew Micetic, President, Foster Area Business Association and owner of Red Castle Games

Chair Kelly called for a motion to approve Resolution No. 7225; Commissioner Meyers moved and Commissioner Cruz seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capua, Myers

NAYS: None

11. Action Item: Resolution 7218 - Authorizing the Terms of a Land Transfer Agreement to Convey 0.84 Acres of Real Property in the Lents Town Center Urban Renewal Area to the City of Portland Housing Bureau

PDC Staff presenting this item:
Will Thier, Project Manager II

With this action the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize the Executive Director to execute a land transfer agreement (Transfer Agreement) between PDC and the City of Portland Housing Bureau (PHB), conveying 0.84 acres of land (Property) from PDC to PHB. The transfer reconciles payment previously contributed by PHB for the land's acquisition and facilitates affordable housing redevelopment. The two parcels constituting the Property subject to this action are located at the southwest corner of SE 72nd Avenue and SE Foster Road in the Lents Town

Center Urban Renewal Area (URA); see an aerial view and photo of the Property in Attachment A. Upon execution of the Transfer Agreement, PHB intends to make the Property available for construction of affordable housing by REACH Community Development (REACH), including approximately 100 multifamily rental units (Project).

Chair Kelly called for a motion to approve Resolution No. 7218; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Cruz, Edlen, Kelly, Moreland-Capuia, Myers

NAYS: None

12. Adjourn

There being no further business, Chair Kelly adjourned the PDC Board meeting at approximately 1:51 p.m.

Approved by the Portland Development Commission on January 18, 2017



Pam Micek, Recording Secretary