



PROSPER
PORTLAND

Building an Equitable Economy

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

Alisha Moreland-Capuia, M.D.
Commissioner

William Myers
Commissioner

Peter Platt
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

This document represents the official meeting record of the October 25, 2017, Prosper Portland Board of Commissioners (Board) meeting held at 222 NW Fifth Ave., Portland, OR 97209. The full video recording of this meeting can be found at:

<https://www.youtube.com/watch?v=CIWnu6MPWu8>

1. Call to Order and Roll Call

Chair Gustavo Cruz called the meeting to order at approximately 3:04 p.m. Pam Micek, Prosper Portland Board recording secretary, called the Prosper Portland Board roll:

Chair Gustavo Cruz	PRESENT
Commissioner Francesca Gambetti	PRESENT
Commissioner Alisha Moreland-Capuia	PRESENT
Commissioner William Myers	PRESENT (By telephone)
Commissioner Peter Platt	PRESENT

2. Commissioner Reports

Commissioner Gambetti

- Attended the North/Northeast Community Development Initiative Oversight Committee meeting on October 5
- Attended the Street Roots breakfast on October 25
- Attended The Destruction of Albina: Lecture, Experience and Discussion on October 21

Chair Cruz

- Attended the Hispanic Metropolitan Chamber board meeting on September 19
- Attended the Oliver Station Topping Out Ceremony on October
- Attended the Northwest District Association board meeting on October 16
- Attended the Audit Liaison meeting with Moss Adams and City Auditor staff on October 24

3. Executive Director Report

- Presented at the Urban Land Institute's Next Group on September 20
- Attended Greater Portland Inc.'s annual Economic Summit on September 21
- Attended the Latino Network's Noche Bella Gala on September 22
- Attended the Urban League's Equal Opportunity Awards Dinner on September 26
- Presented at the Urban Land Institute's Leadership Forum on September 27
- Participated in Great Portland Inc.'s Best Practices Trip to Brooklyn, beginning Friday, September 29
- Participated in the Governor's Trade Mission trip to Japan beginning Sunday, October 8

222 NW Fifth Avenue
Portland, OR
97209-3859

503-823-3200 Main
503-823-3368 Fax
503-823-3366 TTY

- Moderated the Go Green Conference Opening Plenary “Driving Forward: A 10-Year Retrospective with Portland’s Sustainable Business Leaders” on October 17
- Noted that Prosper Portland, along with other regional partners, collaborated with Greater Portland, Inc. on the development of a response to the Amazon second headquarters request for proposals, which was submitted on October 19
- Announced that Prosper Portland has agreed, in principal, to terms of the Letter of Intent to sell the land at 240 NE MLK (pending review by Prosper Portland’s Legal Department) to VOZ Workers’ Rights Education Project.
- Served as a panelist for the International Society of City and Regional Planners event on October 25
- Announced the next North/Northeast Community Development Initiative Oversight Committee meeting will be held at Prosper Portland on October 26
- Speaking at the Asian Pacific American Network of Oregon groundbreaking event on November 2
- Speaking at the My People’s Market event on November 9

4. Meeting Minutes

Chair Cruz called for a motion to approve the September 13, 2017, Prosper Portland Board meeting minutes. Commissioner Gambetti moved and Commissioner Moreland-Capuia seconded the motion.

AYES: Cruz, Gambetti, Moreland-Capuia, Myers, Platt

NAYS: None

5. Public Comment for Items Not on Agenda

Chair Cruz called forward public testimony.

Jeremy Simer, Service Employees International Union 49, expressed his concerns regarding poor job quality for janitors at Daimler Trucks North America and provided written testimony. (See Attachment 1)

Elisenda Tavera, Janitor, Millennium Building Services (MBS) spoke through an interpreter about wages, health insurance and job conditions. (See Attachment 2)

Alicia Santos, Day Porter, MBS – spoke through an interpreter about low wages and excessive work load. (See Attachment 3)

Mr. Simer noted that after failed attempts to meet with Daimler, MBS janitors are organizing, calling for equity and prosperity for all. He continued by stating that they would like Prosper Portland’s support to request Daimler to uphold responsible janitorial standards.

Noting that both Ms. Tavera and Ms. Santos work for MBS under contract with Nike, Chair Cruz asked Mr. Simer whether he had contacted Nike.

Mr. Siemers responded that they have contacted Nike along with other businesses that contract with MBS. They have not heard back directly from Nike but have had some engagement with a property manager.

Commissioner Gambetti inquired if it was true that Daimler was in compliance with the E-Zone requirements.

Executive Director Branam stated that they are in compliance with the E-Zone component and noted that Director of Economic Development, Bobby Lee had telephoned Daimler.

Mr. Lee stated that he met with Daimler on the issue and will continue corresponding with Daimler and urge them to negotiate.

REGULAR AGENDA

6. Information Item: Update on the 10th and Yamhill Project

Prosper Portland staff presenting this item:

Amy Nagy, Project Coordinator II

Ms. Nagy provided the Board with an update on the status of the renovation project, master lease, and tenanting process.

Commissioner Moreland-Capuia asked whether in spring 2016 when tenants received information about needing to vacate if they were provided with resources for relocation. Ms. Nagy responded that tenants were provided a list, maintained by Portland Business Alliance, of vacant properties in downtown and Old Town/Chinatown, as well as information regarding Prosper Portland's business programs, including grants and loans, financial support for property acquisition and/or tenant improvements. Ms. Nagy also offered to connect those being displaced with Worksystems Inc.

Commissioner Moreland-Capuia noted that there have been requests for the last six months from one particular tenant to stay in the building during construction and stated that it was her understanding that was not safe because of fire codes and such. Ms. Nagy stated that the ground floor, elevators, and towers will be completely torn apart at once. She noted that current building systems in the retail portion will not be maintained.

Commissioner Moreland-Capuia asked whether all tenants will have the opportunity to apply for a space after the construction is complete. Ms. Nagy answered, yes.

Commissioner Gambetti asked whether any tenant other than Peterson's asked to return. Ms. Nagy reported that one other tenant expressed they may be interested.

Commissioner Platt asked when the agency anticipates making the final decision about the tenant mix. Ms. Nagy responded that the initial round may begin in spring 2018 while managing timelines and expectations of a variety of businesses will vary.

Chair Cruz called forward public testimony.

Jil Heimensen, Peterson's Convenience Store (Peterson's) Lobbyist, distributed several items consisting of copies of an article from the Portland Business Journal, a press release, letters addressed to former Prosper Portland Chair Tom Kelly and Portland City Commissioner Saltzman and a sign created and posted by Petersons (see Attachment 4). Ms. Heimensen stated that she would like to see Prosper Portland help mitigate the loss of jobs that will result from closing Peterson's for a year.

Chair Cruz asked how many employees could be absorbed by the other three Peterson's locations. Doug Peterson, Peterson's owner, stated that they have twenty-eight employees that work between the four

stores and a manager and backup support person at the 10th and Yamhill store. Mr. Peterson asked that they be grandfathered in since they do not meet the new guidelines. Mr. Peterson left behind a packet containing written comments from Peterson's customers in support of keeping the store in its current location at 10th and Yamhill at the following link: <http://prosperportland.us/wp-content/uploads/2017/04/Board-Meeting-2017-10-25-Comments-from-Petersons-Customers.pdf>

Commissioner Gambetti asked Ms. Nagy to address the two criteria that appeared to be keeping Peterson's from returning to the 10th and Yamhill location, 1) no alcohol sales and 2) having more than three locations. Ms. Nagy stated that the no alcohol sales were a component added by the Portland Bureau of Transportation. The intention behind having fewer than three business locations is to encourage small, local businesses and discourage chains.

Executive Director Branam added that Prosper Portland wants to make sure that there is a support mechanism for the employees and stated that Bobby Lee had established a partnership with Worksystems Inc to help with the limited term dislocation.

7. Information Item: Update on Broadway Corridor

Prosper Portland staff presenting this item:

Sarah Harpole, Project Manager

Ms. Harpole provided an update on the status of the Broadway Corridor project, including a forthcoming developer Request for Qualifications (RFQ) and engagement of the project's Steering Committee.

Commissioner Moreland-Capuia requested strengthening the language in the RFQ requiring the selected developer to meet Prosper Portland's Social Equity Policy goals. Ms. Harpole noted that the Steering Committee made the same recommendation and staff will make edits to the RFQ as appropriate.

8. Information Item: Update on Prosper Portland's Asset Management Portfolio Approach

Prosper Portland staff presenting this item:

Kyra Straussman, Director of Development & Investment

Amy Edwards, Asset & Investment Management

Ms. Edwards provided an overview of Prosper Portland's real-estate portfolio and identified an asset management software tool that will be implemented and fully operable by May 2018.

9. Adjourn

There being no further business, Chair Cruz adjourned the Prosper Portland Board meeting at approximately 4:55 p.m.

Approved by the Prosper Portland Commission on January 10, 2018



Pam Micek, Recording Secretary

Attachment 4a

Prosper Portland, hear our customers' pleas

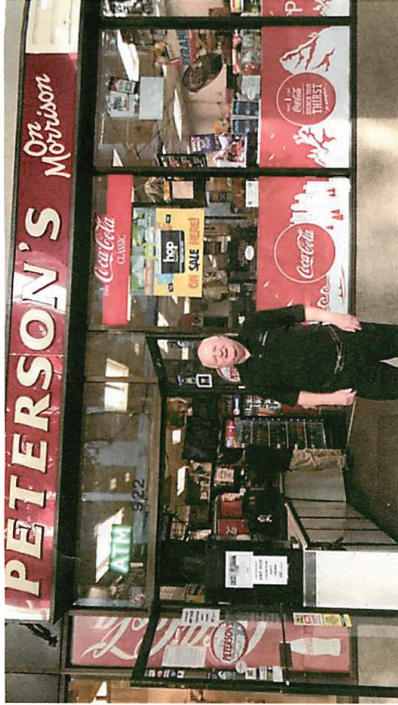
The owner of Peterson's Convenience Store on why he fears a parking garage redevelopment might spell the end for his Morrison Street location.

On Dec. 1, we will celebrate the 34th anniversary of Peterson's Convenience Store at our Morrison location. Since day one, we have been open 365 days per year during all hours that the MAX runs to best serve the hundreds of customers from all walks of life who shop at the store each day.

Our celebration is bittersweet because December could also be our last full month in business at our Morrison location because Prosper Portland is requiring us to vacate our space by Jan. 14, 2018, for a full year to renovate the Yamhill SmartPark garage and the ground floor retail area. The future beyond January 14 for us is unclear.

We were initially very excited about the opportunity to renovate our Morrison store. For us, making significant investments in the space would have been a risky undertaking since we have been on a month-to-month lease since the '90s. Until now, our landlord (the city of Portland) has never offered to make any improvements. The city gave up on fixing the air conditioning years ago, making the store so hot in the summer that the chocolate bars would melt!

Prosper Portland has met with us several times since 2015 and has said that they have heard Peterson's desire to remain at our Morrison location. Their actions suggest otherwise. The construction plans divide our current space into smaller units, which indicates that we already face an uphill battle to keep our space. In addition, the application process isn't



Doug Peterson says a planned renovation of the city-owned SmartPark garage at Southwest 10th and Morrison could force him to close his convenience store there.

for an entire year would also cause unnecessary hardship for our employees, or cause us to lose great employees, some of who have been with us for decades.

Other communities recognize the value of preserving legacy businesses like Peterson's as historical assets because of the intangible elements of culture and community created by long-standing businesses over time. For example, San Francisco passed Prop J, which helps preserve locally-owned business that are over 30 years old by offering an annual grant of \$500 per employee, as well as an annual \$4.50 per square foot grant to property owners who extend 10-year leases to Legacy Business tenants.

It is heartwarming to read the comments we received from our petition to save the store, including "Would hate to see this store go. It is a Portland landmark," "Very important local business, like a corner bodega, a store like this serves an important function to the community," and "It's open late and a lifesaver. We need to keep stores like this in business. Stop pushing small business out of Portland!" We urge Prosper Portland to hear our customers' love for Peterson's and allow us to remain at the location where we have served Portland for Decades.

-Doug Peterson

Doug Peterson is the owner of Peterson's Convenience Store, which operates four locations in downtown Portland.

businesses. Open store remodels are common, with just one example down the street at the Pioneer Square Starbucks. Our space is conducive to staying open since the major construction will occur on the corners of the building and the store fronts are slated to remain intact for some time. Allowing us to stay open would improve the safety and convenience of MAX riders, since we sell TriMet's Hop Fastpass Hop Pass and are open all hours that MAX operates. Many of the over 3,500 supportive comments we received from our customers that have signed our petition discussed how they feel safer waiting for the MAX because Peterson's is open. Closing Peterson's

going to begin until Prosper Portland "is ready", which could easily extend beyond when we were asked to vacate. Even if we could apply before we lost employees who have been with the company for decades, the requirements set by Prosper Portland puts us at a disadvantage. Prosper Portland Resolution No. 7240 "sets a lower priority for locally owned franchises with more than three locations" (we have four) and will not "allow off-premises sales of alcoholic beverages" (we sell Pacific Northwest wines and beer.)

The requirement to vacate for an entire year or more during the remodel also feels targeted to root out existing

OFFICIAL PRESS RELEASE

SAVE PETERSON'S
SW 10th & Morrison Store.
SOS-SAVE OUR STORE
Visit SavePetersons.com
CONTACT MAYORWHEELER@PORTLANDOREGON.GOV

June 21, 2017

Prosper Portland (Portland Development Commission) has approved a plan to clear the 725 SW 10th Parking Structure of all five current business tenants, including Peterson's Convenience Store, to renovate the retail level store areas. This move will cost over \$25,000,000 without fixing the major seismic issues of the almost 40 year old building. This plan vacates the building for a year, although the parking and Max stops will remain open to the public.

Peterson's will lose a location it has had for over 32 years, the store employs much of Peterson's 28 staff members. Peterson's has always paid market-rate wages, with longer-term employees receiving benefits, including healthcare and vacation pay.

Peterson's has over 900 customers daily, and will be one of the first MAX-stop locations to offer the upgraded HOP FastPass card and refill location when TRIMET ends cash ticket buying.

Peterson's-trained staff currently help many tourists everyday and night, often being the only retailer open late hours that offer items Hotel guests need.

This plan cuts a big hole in Downtown Portland's social fabric. Just like-Powell's Books and Voodoo Doughnuts, Peterson's is a famous Downtown-Portland Icon that many recognize.

Doug Peterson said, "This is the thanks I get for following the rules, being a good merchant and paying good wages with benefits. Don't let the name fool you, Prosper Portland is out to gentrify Portland with Tax-Payer Dollars. They have many new, better locations for the new Downtown business plan, but have attacked my store first. Please contact the Mayor as soon as possible to ask to Save Peterson's. I may survive, but my Staff will be gravely damaged, this is not the way to build Portland."

Although the City claims to have a fair tenanting plan, Resolution 72-40 adopted on 6/14/17 by Prosper Portland put forth criteria designed to exclude Peterson's SW 10th and Morrison store. We have been evicted as of January 14th, 2018. We could stay open during and after construction, but the current plan was designed to evict us permanently.

Peterson's Employees and owner Doug Peterson testified before Portland City Council on June 21st, protesting Prosper Portland (formerly Portland Development Commission) and their use of Tax-Payer funds for the gentrification of Downtown Portland, which will force the permanent closure of Peterson's Morrison Store.

Contact: MayorWheeler@portlandoregon.gov
Call Mayor Wheeler at 503-823-4120

Thank you for posting this item.
For more information-Contact-DGPETE@TELEPORT.COM
Or call Doug Peterson at 503-227-0567

City of
Portland, Oregon



June 30, 2017

Tom Kelly
Prosper Portland Board Chair
222 NW 5th Ave.
Portland, OR 97209

Dear Tom,

We first want to thank you and staff for the great work Prosper Portland has accomplished working with PBOT staff in the redevelopment of the SW 10th and Yamhill Parking Garage. This project has been a long time coming with many different iterations over the years and it is great to see a final vision so close to fruition. It will be great for the downtown retail core.

We do want to highlight one concern that has come up regarding the redevelopment and that is the current tenants and their ability to return to the upgraded spaces created through the redevelopment. Peterson's convenience store is a great example of a long standing small business that may be negatively impacted if they cannot return to their current location. City Council has received excellent testimony from employees of Peterson's and they make it clear that the SW 10th and Yamhill store makes the most revenue of all their downtown locations and really is the lifeline for the business. We urge Prosper Portland to see the value of supporting a small business with over 30 years of service to downtown and to sign a long term lease with Peterson's for a space in the SW 10th and Yamhill parking garage.

Thank you again for you and the board's support for this project and as always, never hesitate to contact either of us directly if you wish to discuss this or any issue that impacts Portland.

Sincerely,


Chloe Eudaly


Dan Saltzman

Cc: Mayor Ted Wheeler
Kimberly Branam
Douglas Peterson

*Response letter we sent to Kimberly Brannan, Attachment 4d
Executive Director, Prosper Portland and to City
Commissioners and Mayor Wheeler after receiving
letter of support from Commissioners Eudaly and
Saltzman. We received no response from Prosper Portland* 10P2

July 6, 2017

Commissioner Dan Saltzman
City of Portland
1221 SW 4th Avenue, Suite 230
Portland, Oregon 97204

Dear Commissioner Saltzman,

Thank you for your letter urging Prosper Portland to sign a long-term lease with Peterson's Convenience Store on 10th and Morrison. It has been an honor to serve the downtown Portland community for over 32 years and with your support we hope to continue to do so for years to come. In just a few weeks, we have already collected over 1,000 signatures supporting keeping Peterson's on 10th and Morrison in business.

I would like to highlight our desire to stay open during the redevelopment just as the Starbucks located in Pioneer Courthouse Square has during their remodel. Keeping Peterson's open during construction has several benefits. First, the hundreds of customers we serve each day and the construction workers involved in the project would have easy access to snacks and beverages. In addition, Tri-Met customers could continue to have a convenient option to purchase their tickets. Riders would also feel safer by having Peterson's open, especially at night. Finally, we care about our diverse employees which includes women¹, minorities², LGBT³, people over 40⁴, the disabled⁵, and people with arrest records⁶. Displacing them or significantly reducing their hours for a year would cause unnecessary hardship and societal cost.

Before I started Peterson's in 1985, I worked at Fred Meyer where my responsibilities included overseeing some of the store's expansion and construction projects. Many of the projects I worked on involved remodeling entire stores and the stores remained open every day during construction. We recently remodeled Peterson's on Yamhill and the store stayed open during construction. I would welcome the opportunity to work with Prosper Portland to obtain a long-term lease that also allows us to stay open during construction.

¹ <https://www.eeoc.gov/laws/types/sex.cfm>

² https://www.eeoc.gov/laws/types/race_color.cfm

³ https://en.wikipedia.org/wiki/LGBT_employment_discrimination_in_the_United_States

⁴ <https://www.eeoc.gov/laws/types/age.cfm>

⁵ <https://www.eeoc.gov/laws/types/disability.cfm>

⁶ https://www.eeoc.gov/laws/practices/inquiries_arrest_conviction.cfm

Thank you for listening to our concerns during the City Council meeting and for your show of support to keep Peterson's open to serve the downtown community. Please feel free to contact me if you wish to discuss this matter in greater detail. I can be reached at 503-227-0567 or via email at dgpete@teleport.com.

Sincerely,

Doug Peterson

CC: Chloe Eudaly
Nick Fish
Amanda Fritz
Mayor Ted Wheeler
Kimberly Branam

SAVE PETERSON'S

savepetersons.com

CONTACT MAYOR TED WHEELER AT-
MayorWheeler@portlandoregon.gov

-or call- 503-823-4120

Let him know that you would like Peterson's to remain here at 10th & Morrison!

Peterson's on Morrison

you are required to vacate your leased space by January 14, 2018.

June 15, 2017

Mr. Doug Peterson
Peterson's on Morrison
115 SW Yamhill Street
Portland OR 97204

RE: 10th and Yamhill SmartPark renovation project


Dear Doug:

The Portland Bureau of Transportation (PBOT) and Prosper Portland (formerly known as the Portland Development Commission) are pursuing a major renovation of the 10th & Yamhill SmartPark garage levels and ground floor retail area. The improvements will address accessibility, deferred maintenance issues, and modernize the interior and exterior of the retail space. The following provides an update on the renovation project at the 10th & Yamhill SmartPark garage, including impacts to your tenancy.

In early 2016, several one-on-one tenant meetings with representatives from PBOT, Prosper Portland and the Portland Business Alliance occurred. During the meeting held on February 12, 2016, you were advised the renovation requires all retail tenants to vacate the building during construction. The project is currently in the design process, with construction scheduled to commence on January 15, 2018 and be substantially completed in November of 2018. To accommodate the construction schedule, you are required to vacate your leased space by January 14, 2018.

Prosper Portland will assume the tenancing and maintenance and operations responsibilities for the commercial spaces after the renovation. They will run a competitive and transparent tenant selection process with the goals of providing opportunities to businesses that align with the Downtown Retail Strategy and Prosper Portland's Strategic Plan creating a cohesive tenant mix. Current tenants are welcome to re-apply to lease the newly renovated space. Prosper Portland will maintain an interested parties list to provide information concerning the tenant criteria and application process. Information will also be available on Prosper Portland's website (<http://prosperportland.us>) as details become available.

PBOT and Prosper Portland appreciate the existing tenants' longevity in the building and your cooperation during the preconstruction process. If you have any questions, please contact Grant Morehead at PBOT at 503-823-9707.

Sincerely,

Pauline Goble, Property Manager

cc: Grant Morehead & Michael Jacobs & Chris Armes/PBOT
Amy Nagel/Prosper Portland

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

An Equal Opportunity Employer

PROSPER PORTLAND (formerly Portland Development Commission)
Decides on which current tenants get to stay or leave.

They will run a competitive and transparent tenant selection process with the goals of providing opportunities to businesses that align with the Downtown Retail Strategy and Prosper Portland's Strategic Plan

Which means Peterson's on Morrison won't get to stay.

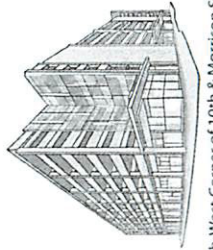
Prosper Portland's Resolution No. 7240, Approving the Terms of a Master Lease Agreement with the City of Portland Bureau of Transportation for the SW 10th & Yamhill Garage Retail space and permit Prosper Portland to enter into Sub-Lease Agreements.

Sublease Agreements shall not:
• allow off-premises sales of alcoholic beverages or alcoholic liquor

• Be consistent with Prosper Portland's Prosperity Initiative Program requirements setting lower priority for national franchises locally owned businesses with more than three locations and business that exclude minors during all business hours.

if you would like to help save our store-

PLEASE SIGN OUR PETITION AND LEAVE A COMMENT ON WHY YOU WANT US TO STAY!

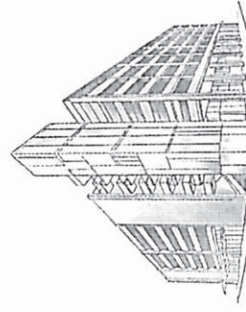
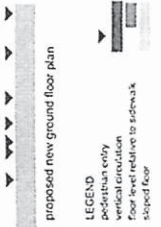
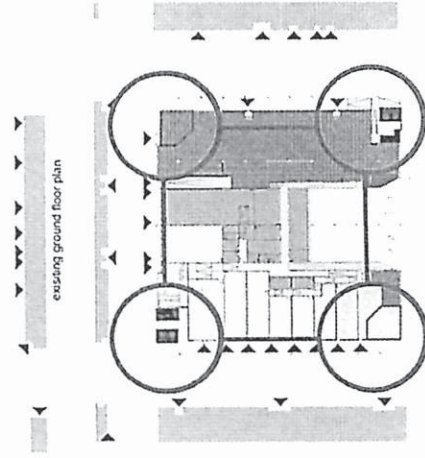
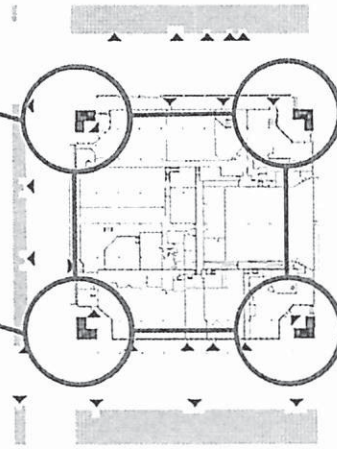
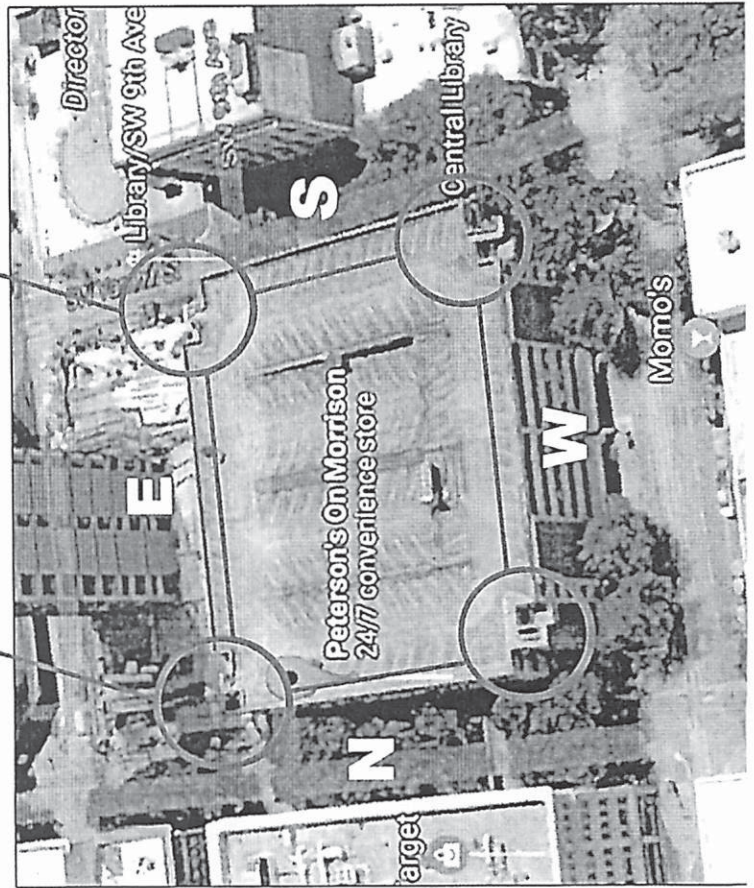


North-West Corner of 10th & Morrison St

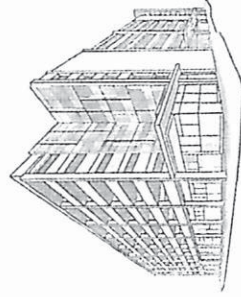
North-East Corner of 10th & Morrison St

- Peterson's on Morrison wants to remain on as a long-term tenant, *right through the construction phase of the remodel,*
- *due to the fact that we are in the middle of the building, &* the majority of the construction/renovation will take place on the corners of the building/stairwells-seismic reinforcing.

savepetersons.com



North-East Corner of 9th & Morrison St.



North-West Corner of 10th & Morrison St.