



PROSPER
PORTLAND

Building an Equitable Economy

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

Alisha Moreland-Capua, 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 September 11, 2019 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=CTVgHzeOz7o>

1. Call to Order and Roll Call

Chair Gustavo Cruz called the meeting to order at approximately 3:08 p.m. Pam Feigenbutz, Prosper Portland Board recording secretary, called the Prosper Portland Board roll:

Chair Gustavo Cruz	PRESENT
Commissioner Francesca Gambetti	PRESENT
Commissioner Alisha Moreland-Capua	PRESENT
Commissioner William Myers	ABSENT
Commissioner Peter Platt	PRESENT

2. Commissioner Reports

Commissioner Gambetti

- Nothing to report

Commissioner Moreland-Capua

- Nothing to report

Commissioner Myers

- Nothing to report

Commissioner Platt

- Chaired the Hacienda Community Development Corporation Board meeting on September 6

Chair Cruz

- Attended the Hispanic Metropolitan Chamber of Commerce dinner on September 6

3. Executive Director Report

- Joined AWS Elemental and community partners on August 22 to celebrate the expansion of Amazon's Portland Tech Hub
- Spent time tabling at the Jade Night Market on August 24
- Presented the Old Town/Chinatown Action Plan extension to City Council on September 4
- Attended the Hispanic Metropolitan Chamber of Commerce Heritage Celebration dinner on September 6

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- Served as the moderator for Biznow's 2019 Portland State of the Market event on September 11
- Announced the next meeting of the Russell & Williams Project Working Group is September 11
- Participating in the Eco-Capital reception event on September 12
- Attending the Self Enhancement Inc.'s 'Soul Of The City' event on September 14
- Attending the Oregon Nikkei Endowment's 30th anniversary celebration event September 14
- Announced the Community Livability Grant application period opened September 11

4. Meeting Minutes

Chair Cruz called for a motion to approve the August 14, 2019, Prosper Portland Board meeting minutes. Commissioner Moreland-Capua moved and Commissioner Gambetti seconded the motion.

AYES: Cruz, Gambetti, Moreland-Capua, Platt

NAYS: None

5. Public Comment for Items Not on Agenda

No public comment provided.

REGULAR AGENDA

6. Action Item: Resolution 7337 – Adopting Prosper Portland Real Estate Property Plans

Prosper Portland staff presenting this item:

Lisa Abuaf, Director of Development & Investment

Amy Edwards, Asset & Investment Manager

With this action, the Prosper Portland Board approved Real Estate Property Plans (Property Plans), which state the financial, strategic, and equity goals of each property in Prosper Portland's portfolio.

Ms. Abuaf stated the property plans were designed to align with both Prosper Portland's Strategic Plan and Financial Sustainability Plan with the intent to optimize remaining Tax Increment Finance resources and provide transparency.

Ms. Edwards described the different categories properties were placed based on certain characteristics: 1.) "Remnants" are undevelopable properties with negative income and incompatible with Prosper Portland's mission and strategic goals; 2.) "Operating/Hold" are assets with demonstrated net operating income, have a high strategic alignment, and an expectation of steady return; and 3.) "Development/Active" assets have opportunity to optimize financial and strategic value but Prosper Portland doesn't have an immediate priority for them which could be due to constraints such as monetary or staff resources. Not included in the slides is the category, "Operates" which are assets generating income but not the type of return that would be consistent with the assets in the "Operating/Hold" category.

Ms. Abuaf walked the Prosper Portland Board through key considerations for the Broadway Corridor project including changing property values, increasing demolition costs, determining developable parcels, etc. Also, staff are taking under consideration how the project may impact other properties in Prosper Portland's portfolio and subsequent decisions around leveraging resources.

Ms. Abuaf addressed next steps regarding the financial forecast modeling of the properties in the real estate portfolio. The development team will refine assumptions around different scenarios including conservative, middle of the road, and aggressive models of analysis. Once key strategic decisions are identified they will be brought forth to leadership. Any strategic changes and requests for change will be brought forward to the Prosper Portland Board.

Commissioner Moreland-Capuia emphasized the importance of publicly sharing the tensions created by competing needs for resources and property limitations which influence decision making.

Chair Cruz requested access to information on the website to answer people's questions regarding Prosper Portland's properties; staff will explore an appropriate platform.

Commissioner Moreland-Capuia requested that whomever would be tasked with keeping the website updated be given more than 24 hours to complete the task.

Chair Cruz called for a motion to approve Resolution 7337; Commissioner Moreland-Capuia moved and Commissioner Gambetti seconded the motion.

AYES: Cruz, Gambetti, Moreland-Capuia, Platt

NAYS: None

7. Action Item: Resolution 7341 – Authorizing an Intergovernmental Agreement with the City of Portland Bureau of Transportation for up to \$2,000,000 in Funding for Infrastructure improvements in the Gateway Regional Center Tax Increment Finance District

Prosper Portland staff presenting this item:

Thea Munchel, Project Manager I

With this action, the Prosper Portland Board authorized the executive director to negotiate and execute an Intergovernmental Agreement with the City of Portland Bureau of Transportation to provide up to \$2,000,000 for the design and construction of two new roads identified in the Gateway Master Street Plan. This infrastructure investment will promote connectivity and provide for significant redevelopment opportunities in the Gateway Regional Center Tax Increment Finance District by constructing a new NE Davis Street connecting NE 97th Avenue and NE 100th Avenue and a new NE Couch Street connecting NE 97th Avenue and NE 99th Avenue.

It is expected that the infrastructure improvements will allow for the development of 1,000 to 2,000 new multifamily housing units, which if permitted through the City of Portland's Inclusionary Zoning program would create approximately 100 to 200 units at 60 percent median family income (MFI) or 200 to 400 units at 80 percent MFI.

Ms. Munchel relayed a significant portion of the work was informed by community participation through the Gateway Action Plan, the Central Gateway Redevelopment Strategy, and the Gateway Master Street Plan. Additionally, the developers were actively engaged with the community.

Commissioners were provided with a letter sent via email from Christopher Masciocchi with the Gateway Area Business Association Board in support of the resolution (see Attachment A).

Chair Cruz called forward guests to testify.

Commissioners received a letter from Gordon Jones representing testimony from the following three guests (see Attachment B).

Gordon Jones, Property Owner and Real Estate Developer, described his experience working and developing properties for the past twenty-five years in the Gateway area.

Larry Jackson, Nehemiah Group, noted his thirty-five years' experience working with the city, state and community. Mr. Jackson stated he assembled local stakeholder who live in the area to weigh in on the project.

Joe Westerman, JMW Properties, spoke in favor of the Local Improvement District and the design for Block 4.

Commissioner Platt asked whether Prosper Portland could share best practices around equity work to which Ms. Abuaf responded there may be potential through the Community Livability Grants.

Chair Cruz called for a motion to approve Resolution 7341; Commissioner Gambetti moved and Commissioner Platt seconded the motion.

AYES: Cruz, Gambetti, Moreland-Capua, Platt
NAYS: None

8. Action Item: Resolution 7338 and 7339 – Authorizing an Intergovernmental Agreement to Fund Improvements to the Arlene Schnitzer Concert Hall in the South Park Blocks Tax Increment Finance District; Adopting Budget Amendment No. 1 for the Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020; and Making Appropriations

Prosper Portland staff presenting this item:

Amy Nagy, Project Manager II

Tony Barnes, Finance Manager

With this action, the Prosper Portland Board approved funding improvements to the Arlene Schnitzer Concert Hall (ASCH) located in the South Park Blocks Tax Increment Financing (TIF) District through the following two actions:

1. Resolution No. 7338 authorized the executive director to execute an Intergovernmental Agreement (IGA) with the City of Portland (City) and Metro that authorizes a \$1,500,000 Prosper Portland investment in the ASCH.

2. Resolution No. 7339 formally amends the Fiscal Year 2019-20 Budget by authorizing an additional \$1,000,000 to the Infrastructure appropriation from Contingency in the South Park Blocks TIF District fund in order to fund the IGA with the City and Metro.

The Prosper Portland Board approvals provide Metro, which operates the AHSC (one of the five venues of Portland's Centers for the Arts, also known as the Portland 5) with funds to make critical seismic, cosmetic, and electrical upgrades to the marquee at the City-owned ASCH.

Ms. Nagy detailed the alignment of the items with Prosper Portland's Strategic Plan and described the improvements that would be made to the marquee sign partnership with the City and Metro. Prosper Portland will work with the City and Metro to make sure funds are applied appropriately and in compliance with Prosper Portland policies.

Mr. Barnes specified this would be the first authorization for a budget amendment and stated the action will not have impact on any other programmed projects in the budget but will have implications to the five-year forecast. The resources to be authorized through the resolution were originally designated to

generate revenue per the Financial Sustainability Plan so other districts and allocations will be revisited and brought to the Prosper Portland Board through a second budget amendment in November.

Chair Cruz called for a motion to approve Resolution 7338 and 7339; Commissioner Platt moved and Commissioner Moreland-Capuia seconded the motion.

AYES: Cruz, Gambetti, Moreland-Capuia, Platt

NAYS: None

9. Action Item: Resolution 7340 – Authorizing an Intergovernmental Agreement with the City of Portland Bureau of Revenue and Financial Services, Procurement Services in an Amount Not to Exceed \$600,000 for Business and Workforce Equity Contract Compliance Services

Prosper Portland staff and guests presenting this item:

Mayra Arreola, Director of Equity, Governance & Communications

John Cardenas, Project Manager I

Wendy Wilcox, Construction Services Specialist

With this action, the Prosper Portland Board authorized an Intergovernmental Agreement with the City of Portland Bureau of Revenue and Financial Services, Procurement Services (Bureau) to provide Prosper Portland with Business and Workforce Equity program contract and hiring compliance services for a five-year period in an amount not to exceed amount \$600,000. The Bureau has provided these services every year since fiscal year 2012-13.

Mr. Cardenas provided a review of the Business and Workforce Equity programs.

Ms. Wilcox describe and detailed the criteria which triggers the Business and Workforce Equity program requirements.

Mr. Cardenas noted the different external partners Prosper Portland works with and the quality relationships built with each of them.

Ms. Wilcox described the two software tracking programs used in tandem with the City. The first, LCPtracker, tracks workforce compliance and prevailing wage and the second, B2Gnow, tracks business compliance. Both programs provide the ability to observe the progress of projects thus informing Prosper Portland on how to help contractors meet their goals.

Mr. Cardenas stated he and Ms. Wilcox are revamping administrative procedures and program specifications by using less technical language. Moving forward, they will continue building relationships and streamlining processes.

Commissioner Platt asked how Prosper Portland is tracking where they see the most impact and which tools are working.

Mr. Cardenas noted the opportunity to provide training to contractors on the reporting tool to increase accurate accounting across the board.

Chair Cruz called for a motion to approve Resolution 7340; Commissioner Moreland-Capuia moved and Commissioner Gambetti seconded the motion.

AYES: Cruz, Gambetti, Moreland-Capuia, Platt

NAYS: None

10. Adjourn

There being no further business, Chair Cruz adjourned the Prosper Portland Board meeting at approximately 4:49 p.m.

Approved by the Prosper Portland Commission on October 9, 2019



Pam Feigenbutz, Recording Secretary



M A S C I O C C H I

Dear Prosper Portland Board of Commissioners,

As one of an increasing number of people dedicated to helping Gateway fulfill its potential as a true Regional Center, I am very pleased to endorse the NE Couch/Davis Local Improvement District.

By beginning to address infrastructure deficiencies, east of I-205, that have been a barrier to the type of positive development the rest of the city has enjoyed, this project can help catalyze the vision of Gateway as a world-class Transit Oriented Development. High-quality, well-designed Transit Oriented Development can help mitigate urban sprawl, reduce our collective impact on the planet and create diverse, affordable and truly sustainable and thriving communities.

In addition to being an unparalleled transportation hub, the Gateway area is a unique hub of cultural diversity. What the area desperately needs is *economic diversity* and the type of quality infrastructure and amenities that support that diversity by enabling *positive* social interaction and by giving people pride in their surroundings. No place is better suited for this aspirational vision than the Gateway Regional Center.

I urge you to fully support the NE Couch/Davis Local Improvement District and hope we can continue to work together to find additional public/private partnerships that can help this area achieve its enormous potential. Your consideration, focus and investment in this increasingly important area are very much appreciated.

Many Thanks,
Christopher Masciocchi
Gateway Area Business Association Board

LIVABLE GATEWAY COMMUNITY GOALS

And Central Gateway Project Mission

These goals are the vision of members of underserved minorities, private property owners, stakeholders, and developers in the Central Gateway District: These partners have formed a non-profit association whose primary participants are: Larry Jackson (The Nehemiah Group, Inc.), Jeff McDonald (IRCO), Susan Stoltenberg (YWCA), Nate McCoy (NAMC), Joe Westerman (property owner/developer), Gordon Jones (property owner/developer), and Andy Baltz (property & business owner). The project has community support and support from communities of color and underserved, immigrant and minority communities that are looking for a place to call home.

As we develop our plans to create a new, diverse and welcoming community, we will first look at how we can address structural racism. There are many ingredients that will make our new community attractive to a mix of races, cultures, social preferences, religions and families. These ingredients will include: 1. Racial equity and inclusiveness, 2. Reduced carbon footprint/emissions, 3. Open spaces and parks, 4. Access to fresh and healthy food, 5. Multiple transportation options, 6. Arts and Entertainment, 7. Opportunity for emerging small businesses, 8. Walkable and Bike Friendly

Gateway Action Plan, July 2016: *"The City of Portland Development Commission (PDC), and their many partners in the Gateway community share a dynamic vision for the Gateway Regional Center: an urban, mixed-use environment in East Portland with employment and commercial activity that contribute to the region's economy and livability. This vision capitalizes on the area's unique advantages. Gateway boasts an unparalleled location at the confluence of major transportation corridors, which provide superb access to other activity centers including downtown Portland and Portland International Airport."*

"With the Urban Renewal Area set to expire in June 2022, the remaining resources will be best used by tailoring near-term investments to Gateway's assets to better position the area for future private investment."

"However, it will take more than urban renewal and other public dollars to fulfill the promise of this uniquely situated area. The Gateway Action Plan focuses PDC's limited resources and calls for partner City bureaus to rise to the challenges that have prevented Gateway from realizing the level of success that other areas in the Portland region have achieved in the past few years. The Action Plan also focuses on building partnerships, supporting local community organizations, and working with private sector partners to deliver on community goals and aspirations."

Central Gateway: *"...The area is envisioned to become a prime location for employment in the region, but the Gateway Master Street Plan and the zoning classifications are cited as barriers to redevelopment." Planned PDC Budget Commitment: \$2million for potential Local Improvement District support,"*

The Central Gateway Project Mission: To build a diverse, inclusive, equitable, green, walkable and affordable neighborhood in the Central Gateway community that includes; high density housing, parks and open spaces and amenities that serve the residents; and, multiple transportation options that make living here without a car a real and viable option.