

DRAFT MEETING MINUTES

This document along with the video and audio recordings constitute the official meeting record of the January 23, 2008 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 Mark Rosenbaum called the meeting to order at approximately 8:17 a.m.

Renee Castilla acting as Recording Secretary for the Board meeting, called the Commission roll:

Chair Mark Rosenbaum	PRESENT
Commissioner Bertha Ferran	PRESENT
Commission Sal Kadri	ABSENT
Commissioner John Mohlis	PRESENT
Commissioner Charles Wilhoite	PRESENT

II. MINUTES

Chair Rosenbaum asked if there were any corrections to the meeting minutes of November 28, 2007 or December 12, 2007.

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt the meeting minutes of November 28, 2007 and December 12, 2007.

AYES: Rosenbaum, Ferran, Mohlis, Wilhoite

III. COMMISSIONER REPORTS

Commissioner Mohlis stated he toured the New Avenues for Youth Building and looked at space, etc. He also said he attended the Monthly Labor Breakfast held at Jefferson High School in honor of the week Mayor Potter spent there. He said the focus of the breakfast was how better they can bridge between the trades and high schools for apprenticeship programs.

Commissioner Wilhoite stated he attended the recent meeting of the National Association of Black Accountants and spoke about PDC and the development opportunities for people of color to become involved. He also said he has been attending the Urban Renewal Advisory Group meetings with City Council and said the group seems to be come to some preliminary conclusions. He said up for discussion was whether to close out the Downtown Waterfront and South Park Blocks Urban Renewal Areas by 2018 and whether to expanding the River District by 54 acres.

Commissioner Ferran stated she attended a Hispanic Chamber event: Leadership classes for Latino Young Leaders. She said she also attended the Gateway Business Association meeting in the Gateway Urban Renewal Area and discussed the need for public parks in the area.

Chair Rosenbaum said he met with the President of the University of Oregon regarding their School of Architecture and its location in Old Town China Town. He also said it was a pleasure

for him to speak to the Urban Lands Institute regarding the pressures facing the Portland Development Commission and the opportunities. He also said the Month of February begins the Budget discussion with the City of Portland and the joint work group. He said he looked forward to the conversation.

IV. EXECUTIVE DIRECTOR'S REPORT

Executive Director Bruce Warner stated he had the opportunity to go to Jefferson High School during the Mayor's week there and speak to some of the students. He said he was impressed by the caliber of the school and its students. He also indicated to the Commissioners that they were in receipt of the financial assistance monthly loan reports for November and December of 2007 and directed in questions to PDC's interim CFO, Julie Cody.

V. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Chair Rosenbaum announced an opportunity for members of the public to address the Board on any matter not on the agenda. There being none, the chair moved to the consent agenda.

VI. CONSENT AGENDA

Chair Rosenbaum requested Item B: Resolution Requesting City Council to Issue Bonds for Downtown Waterfront URA and to Pledge Revenues to those Bonds, be removed from the consent agenda and opened up for discussion.

Commissioner Ferran moved and Commissioner Wilhoite seconded the motion to adopt the consent agenda.

Resolution No. 6551, titled, Authorize an IGA with Portland Parks and Recreation in the amount of \$750,000 for Redevelopment of Patton Square Park.

AYES: Rosenbaum, Ferran, Mohlis, Wilhoite

VII. RESOLUTION REQUESTING CITY COUNCIL TO ISSUE BONDS FOR DOWNTOWN WATERFRONT URA AND TO PLEDGE REVENUES TO THOSE BONDS

Ms. Julie Cody presented Report No. 08-08. She stated the proposed Resolution requests the City of Portland (City) to issue Downtown Waterfront Urban Renewal and Redevelopment Bonds (Bonds) under the authority of Article IX, Section 1c of the Oregon Constitution, Oregon Revised Statutes and the City Charter. Issuance of the Bonds will enable the Portland Development Commission (Commission) to finance the current and proposed costs of carrying out the City's urban renewal plans and to repay the existing line of credit. She said the last date to issue bonds under the urban renewal plan (Plan) for the Downtown Waterfront Urban Renewal Area (Area) is April 24, 2008. Proceeds of the Bonds are expected to include "new money" to finance capital improvements for the Area based on City Council (Council) and Commission direction considering the Urban Renewal Advisory Group (URAG) recommendations. In addition, the issue will be sized to include sufficient proceeds to repay principal and interest on an existing line of credit, currently outstanding in the aggregate amount of \$5,148,193, to fund a debt service reserve, and to pay the costs of issuance. The Bonds will be issued as parity indebtedness with other outstanding senior lien urban renewal and

redevelopment bonds for the Area in conformance with all City covenants related to those bonds.

She further stated Section 15-106 of the Charter of the City authorizes the Council, upon request of the Commission, to issue bonds that are payable from the urban renewal tax revenues of the City's urban renewal areas, and authorizes the Commission, with the concurrence of the Council, to pledge those urban renewal tax revenues to pay those bonds. Commission staff anticipates that an ordinance authorizing issuance of the bonds will be approved by the Council on February 6, 2008.

After discussion, Chair Rosenbaum called for a motion to adopt Resolution 6552, titled, "Resolution Requesting City Council to Issue Bonds for Downtown Waterfront URA and to Pledge Revenues to those Bonds".

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6552.

AYES: Rosenbaum, Ferran, Mohlis, Wilhoite

VIII. HATS OFF AWARDS

The following employees were recognized for their outstanding service to the Portland Development Commission:

Ms. Lisa Meurs, Ms. Chris Powers, Ms. Maureen Stewart, and Mr. Tony Barnes

IX. KILLINGSWORTH STATION DEVELOPMENT DISPOSITION AGREEMENT CONSIDERATION

Mr. John Warner presented Report Number 08-10, titled, "Killingsworth Station Development Disposition Agreement Consideration".

Mr. Warner stated the action would authorize the Executive Director to execute a disposition and development agreement ("DDA") with Killingsworth Station, LLC for the granting and development of PDC-owned property (Property) at the northeast corner of North Interstate Avenue and North Killingsworth Street in the Interstate Corridor URA. He said the resultant development will be as a high-quality, four-story, residential mixed-use, transit-oriented development with approximately 54 unit residential condominiums, approximately 9,200 square feet of ground floor commercial space and significant sustainable building features (collectively, the "Project" or "Killingsworth Station").

Key aspects of the DDA include:

Programmatic:

- Construction of 54 units of residential condominiums of which 60% (33 units) will be affordable to families earning 80% and below of area median family income ("MFI"), and 21 units will be available at market rates;
- Construction of approximately 9,200 square feet of active ground floor commercial condominium space targeted to local businesses.

Financial:

- As described in detail in the Financial Impact section of this report, in addition to granting the property to the developer, PDC will provide TIF funding for the purpose of: Making the project financially feasible as a market rate project;
- Providing the buy down necessary to make 33 units affordable at 80% MFI; and
- Providing the financial assistance to local businesses with tenant improvement costs associated with the commercial condominium space.

Mr. Winkler expressed his thanks to staff for their support and said the fundamental success of the project will be the commercial aspect allowing people to live above and work below.

After discussion among the Commission and staff, Chair Rosenbaum called for a motion to adopt Resolution No. 6553, titled, "Killingsworth Station Development Disposition Agreement Consideration."

AYES: Rosenbaum, Ferran, Mohlis, Wilhoite

X. PDC SUSTAINABILITY PLAN BRIEFING AND UPDATE REPORT

Mr. Paul Slyman and Ms. Cindy Bethell presented Report No. 08-11, titled, "PDC Sustainability Plan Briefing and Update Report."

They stated on September 28, 2007, the Portland Development Commission ("PDC") submitted its first agency-wide Sustainability Plan (the "Plan") to the Office of Management and Finance ("OMF") and the Sustainable Development Commission ("SDC"). The Plan, and an end of year report, is a new annual requirement of the City Council that was developed by PDC's 40-member Green Team and commented on by 15 additional staff and managers. The plan was approved in late September in accordance with PDC procedures.

The Plan outlines a set of six priority goals and 18 objectives that PDC will develop and implement during the next three years to improve and expand its sustainable policies, practices and procedures. It identifies measures of success which the Green Team, in conjunction with other PDC staff, is developing the policies and initiatives outlined in the Plan with the overarching goal of expanding and improving PDC's environmental, social equity and economic sustainability performance in both internal and external business operations.

The Plan's first three goals seek to reduce and mitigate the ecological and social impacts of urban redevelopment, for example by developing a more progressive green affordable housing program. The second three goals will help reduce the environmental and human health impacts of PDC's internal business policies and practices, for example, by instituting more sustainable purchasing requirements, which will allow PDC to position itself as a model of sustainable business operations.

In the briefing, staff presented to the Board an overview of the Plan and its implementation to date. The Plan serves as a road map for achieving one of the Board's strategic Key Actions, helping to "make Portland the world's sustainability center." In the future, the Board may be asked to approve specific components of Plan as they are developed, such the new Green Building Policy.

XI. BRIEFING ON NORTH OLD TOWN/CHINATOWN REDEVELOPMENT STRATEGY, RESOURCE ACCESS CENTER AND BLANCHET HOUSE

Ms. Sarah Harpole presented Report No. 08-12, titled, "Briefing on North Old Town/Chinatown Redevelopment Strategy, Resource Access Center and Blanchet House."

She stated the report provides an overview of the draft North Old Town/Chinatown Redevelopment Strategy (N. OT/CT Strategy), including the siting of the Resource Access Center (RAC) and relocation of Transition Projects, Inc (TPI) and the redevelopment/relocation of the Blanchet House of Hospitality (Blanchet House).

The Portland Development Commission (PDC) initiated the N. OT/CT Strategy, still underway, to define a development vision and implementation strategy for investment in the northern gateway to the Old Town/Chinatown neighborhood. (See Attachment A for a map of the Study Area.) Located at the center of the Study Area is the block bounded by NW Flanders and NW Glisan between NW 3rd and NW 4th (Block 25). Block 25 is jointly owned by the PDC (1/4 block), the Blanchet House (1/16 block), and the City of Portland (remainder of block). The Blanchet House, located on Block 25, provides meals for homeless individuals and temporary housing for up to 32 homeless client/volunteers who assist in the operation of the facility. Additionally, the Ten Year Plan to End Homelessness (10-year Plan), adopted by City Council on December 21, 2005 (Resolution No. 36367), includes the creation of new resource space to provide homeless people with quick and direct access to programs that move them directly into permanent housing. This space (currently referred to as the Resource Access Center) has been envisioned as an expansion/enhancement of TPI's current facilities in Old Town/Chinatown.

She said both the Blanchet House and the relocation and enhancement of TPI's facilities to serve as a larger RAC for homeless populations have been discussed as part of the N. OT/CT Strategy. The City and PDC initially identified Block 25 as the site for these uses, however at the request of neighborhood stakeholders this recommendation and the potential use of the PDC-owned block bounded by NW Hoyt and NW Irving between NW 6th and Broadway (Block U) is being reconsidered.

Chair Rosenbaum asked for public testimony on agenda item XI.

Ms. Gloria Lee representing the Portland Classical Chinese Garden, expressed her concern for the location of new social services in China Town and the lack of public process. She read a letter into the record.

Ms. Patricia Garder, representing the Pearl District Neighborhood Association reminded the Commissioners it was important to evaluate all potential sites and the impact the siting of the Access Center and Blanchet House may have on future development opportunities.

Mr. Patrick Gortmaker stated the Joint Land Use and Design Review Committee for the Old Town Chinatown Neighborhood Association and Visions Committee have always supported the important role of the social service agencies in Old Town Chinatown. He said that although the Joint Land Use and Design Review Committee did not vote for the siting, there were a number of members who expressed concern. He also read a letter into the record.

Mr. Paul Verhoeven representing the Joint Land Use and Design Review Committee for the Old Town Chinatown Neighborhood Association and Visions Committee expressed his support for the Access center and Blanchet House, however, urged the Commissioners to take into account the limited funding of the Downtown Waterfront URA and the future development opportunities in the area when finalizing a site.

Ms. Rebecca Liu representing the Chinese Consolidated Benevolent Association expressed her concern of the potential siting of the Access Center and Blanchet House in Old Town China Town. She also read a letter in the record.

Mr. William Barros expressed her concern of the siting of the Access Center in Old Town China Town. However, he expressed his ongoing support of Blanchet House.

Chair Rosenbaum read a letter into the record by Mr. Daniel L. Feiner.

Mr. Rudy Munzel testified in support of the proposed siting of Blanchet House and the Access Center at Block 25.

Mr. Louis Lee expressed his concern regarding the proposed siting of Blanchet House and the Access Center at Block 25.

Mr. Richard Louie expressed his concern regarding the proposed siting of Blanchet House and the Access Center at Block 25.

Mr. Fern Elledge representing Transition Projects, Inc. expressed support for essential services provided by TPI and expanded services at the Resource Access Center. However, he expressed concern regarding the joint siting of TPI and Blanchet House together as they provide different services.

Mr. Eugene Feltz expressed his concern regarding the proposed siting of Blanchet House and the Access Center at Block 25, however, expressed his support of Blanchet House.

Mr. Dan Petrusich expressed support for essential services provided by TPI and expanded services at the Resource Access Center. However, he expressed concern regarding the joint siting of TPI and Blanchet House together as they provide different services.

Mr. Jim O'Hanlon expressed support for essential services provided by TPI and expanded services at the Resource Access Center.

Mr. Rich Ulring expressed his concern regarding the proposed siting of Blanchet House and the Access Center at Block 25.

Ms. Mary Turina representing Children's Cancer Association expressed support of Blanchet House.

Mr. Steve Feltz expressed his concern regarding the proposed siting of Blanchet House and the Access Center at Block 25, however, expressed his support of Blanchet House.

Mr. Alexander Ulace expressed his concern regarding the proposed siting of Blanchet House and the Access Center at Block 25 and asked the Commission to consider Block U for TPI.

After discussion among PDC Commissioners and staff, Chair Rosenbaum indicated the item would be back in front of the Board on February 13, 2008 and directed PDC staff to continue their due diligence in working with the community and evaluating all aspects of the project and its impact on the community and future development opportunities. He also asked staff to evaluate the property across the street from the current site of Blanchet House.

XII. TRANSIT MALL REVITALIZATION BRIEFING

This item was delayed until February 13, 2008.

XIII. EXECUTIVE SESSION

This item was cancelled.

XIV. ADJOURNMENT

There being no further business, Chair Rosenbaum adjourned the meeting at 12:40 p.m.