

**Future of Urban Renewal
North Northeast Economic Development Initiative
Community Advisory Committee
Meeting Summary**

Wednesday, April 21, 2010

6:00 a.m. – 8:00 p.m.

Location: Billy Webb Elks Lodge (6 N. Tillamook)

Committee Members Present

Charles Wilhoite (Chair/PDC)	J.E. Isaac (Portland Trailblazers)
Sarah Carlin Ames (PPS)	Marissa Madrigal (Multnomah County)
Gale Castillo (Hispanic Met Chamber)	Robert McKean (Albina Bank)
Paige Coleman (NE Coalition of Neighborhoods)	Tracy Menasco (N.PDX Bus Assoc.)
Jonath Colon (Montesi & Associates)	Skip Newberry (Office of Mayor Sam Adams)
James Faison (NAMCO)	Joe Nunn (for Roy Jay, African-American Chamber)
Algie C. Gatewood (PCC)	Joice Taylor (NNEBA)
Jorge Guerra (OR Assoc. Minority Entrepreneurs)	Walter Valenta (Interstate Corridor URAC)
Damien Hall (OCC URAC)	Abigail Webb (New Columbia Resident)
Roslyn Hill (Developer)	

Absent

Sheila Holden (Interstate Corridor URAC)
Roy Jay (African-American Chamber)
Traci Manning (OCC URAC)

Meeting Facilitator

Doug Zenn, JLA

PDC Staff

Bob Alexander
Stephen Green
John Jackley
Joleen Jensen-Classen
Morgan Masterman
Juan Carlos Ocana-Chiu
Alyson Schwieger

Electronic Minutes

Welcome and Introductions

Chair Wilhoite welcomed the group. *Bob Alexander* provided the CAC with an update on the timeline with regards to the Rose Quarter Development Project. A decision on the future of Memorial Coliseum will be made around June. The development strategy for the larger Rose Quarter will be done later in the fall (December 2010). *Skip Newberry* added that the Mayor indicated the CAC should proceed as scheduled with recommendations on all areas except the Rose Quarter in May/June 2010. Once there is financial information on the Rose Quarter development strategy, the Mayor is interested in reconvening the CAC to get their feedback.

Chair Wilhoite asked the CAC if they felt they had enough information to make an informed decision. He explained that there is currently over \$200 million in current debt capacity in the Interstate Corridor Urban Renewal Area (ICURA). The gem list totals approximately \$80 million. With that and a contingency of about \$10 million, there is still over \$100 million that has not been designated for projects.

Sarah Carlin Ames stated that Portland Public Schools has [responded to the questions raised](#) at the last CAC meeting (March 24, 2010).

Public Comment

Kay Newell, a member of the Interstate Corridor URAC, passed out a [letter to the CAC](#). She requested the CAC only amend the ICURA to include the south side of Lombard Street. There are other important projects in the Interstate Corridor URA that were not included on the Gem list and these should be completed.

Angela Moos spoke on behalf of the Kenton Neighborhood Association. She stated that they have some concerns about expanding ICURA. They would like to see the plans and action items from the Albina Community Plan, Kenton Neighborhood Plan, Kenton Downtown Plan, and ICURA Plan. They are also concerned that if the Rose Quarter is added to the ICURA it will take away from other opportunities in the district.

Gary Marschke discussed the presentation given by Northeast Coalition of Neighborhoods to the CAC at the last meeting. The community forums were held with full participation from the PDC, providing opportunities to clarify any misunderstandings. There are no dollar amounts associated with the expansion areas, which is an important piece of information missing from the economic analysis.

Gerald Deloney, of Self Enhancement Inc, spoke in support of Roy Jay's proposal to set aside 1% of gross revenues from the Rose Quarter and provide to local non-profits.

Midge Percell, speaking on behalf of the Urban League of Portland, supported the 1% proposal. Any proposal for the Rose Quarter should encourage and support local non-profit organizations, build opportunities for ownership participation, provide living wage jobs, and continue training opportunities for communities of color, especially for the community directly and historically displaced African American community. Any proposal has to specifically identify fair and reasonable participation percentages for minority contractors.

Chair Wilhoite added that the 1% proposal is one proposal that falls under the umbrella of a community benefit agreement. Keep in mind, this committee is talking about possibly moving parts of the Rose Quarter into the ICURA. We are not talking about the specifics at this point, but the real issue is a community benefit agreement, and groups with proposals for the area all seem to agree that one will be developed.

Request Log and Responses

Chair Wilhoite discussed some responses to questions and issues raised by the CAC at the last meeting. First, Wilhoite explained that the cost of all projects identified on the [Gem list](#) came to approximately \$70 million. *Walter Valenta* stated that the Gem list was developed from the ICURAC retreat in 2008. It is a list of priorities for the next 5 years, but not representative of what the ICURAC wants to achieve over the next 10 years. There are other major projects, such as Vancouver/Williams and other goals of the ICURA Plan that have been pushed off because they are not the most important. To the ICURAC, this is not surplus. *Valenta* also explained that because the district now has money available, if St. Johns were to come into the district, for example, projects could be done right away in that area. However, when the ICURA was first formed they had to wait because funding was used for MAX Light Rail and New Columbia. The ICURAC feels like they finally have money, but now there are other outside requests. Finally, *Valenta* stated that the ICURAC is clear that they oppose the Rose Quarter expansion. *Chair Wilhoite* responded that they are looking at a limited amount of dollars and have to weigh the opportunities. The return is the potential value of the total investment.

Secondly, *Wilhoite* discussed a summary of [PDC relocation activity](#). Currently, state law prohibits condemnation by PDC. PDC does not force people out; they have to pay fair market value for property and provide relocation benefits.

Finally, *Wilhoite* explained that following through with a specific CAC request, PDC sent [postcards](#) to approximately 3,000 residents and property owners in the potential expansion areas letting them know that their property is being

considered in this study. *Abigail Webb* stated the importance of utilizing alternative outreach methods such as church bulletins.

Round Table Discussions

The round table discussion continued from the last CAC meeting, March 24, 2010.

Portland Community College:

Dr. Algje Gatewood discussed feedback he has heard from the community in regards to future investment in N/NE Portland. These priorities include avoiding displacement, creating jobs, social equity, employing minority, women-owned and emerging small businesses, investing in education and workforce development, and transparency. Overall there appears to be support for the expansion areas.

Oregon Convention Center Urban Renewal Advisory Committee:

Damien Hall spoke on behalf of OCC URAC Chair Tracy Manning. The OCC URAC took a straw poll on expansion areas. Results included:

- URAC priorities should remain priorities and be furthered. For this budget cycle, the top priorities are the Rose Quarter redevelopment and jobs and economic development.
 - Support for Rose Quarter to move to ICURA to further investment in this priority area.
 - Support for Martin Luther King Jr. Blvd. to move to ICURA to fulfill URAC priority.
- OCC revenue should not be negatively impacted.
- Respect ICURA priorities.
- If properties are moved to ICURA, stakeholders from that property are included in ICURAC discussions.

Minority Contracting Subcommittee:

James Faison shared [recommendations](#) of the Minority Contracting Subcommittee to the CAC. These recommendations include awarding 30-50% of contracting to minority and women-owned businesses and the use of certified firms.

Discussion

Chair Wilhoite asked the CAC if there was certain information they needed to discuss in order to feel comfortable making a decision. One example is maximum indebtedness; the CAC has not discussed this yet. Is this something people feel they need to talk about?

Gale Castillo stated she was offended that there was only one ethnic minority represented on the Minority Contractors Subcommittee. They are stronger as a community when they all come to the table. Her overall concern as this committee moves forward is that they make sure they are inclusive of all groups.

Sarah Carlin Ames asked if the CAC could get the results of the ICURAC straw poll (see [Request Log update 5-19-10](#)). She also stated that if PDC-owned property is moved from one URA to another, the receiving URA has to pay the original URA for that property. Is this the case for PDC-owned properties moving from OCC to ICURA? *Bob Alexander* said that the PDC Commission has not adopted that as a policy yet. However, if there are loans out on a property and it has been moved to another district, loan payments would go to the originating district. (PDC has subsequently developed a financial policy that would require the book value of any PDC property to be paid by

the “recipient district - ICURA” to the “donor district - OCCURA”. If property is sold or loans paid back on the property that is transferred, the proceeds would go to the recipient district. (See [Request Log update 5-19-10](#)).

Joe Nunn asked that the CAC not forget about the many broken promises. He thought the \$1.99 ticket fee and 1% set-aside were a solution to this. Think about what could happen if large corporations, businesses and sports entertainment work together for the benefit of the community.

Budget Prioritization

Chair Wilhoite turned the CAC’s attention to the [budget prioritization feedback](#). *Bob Alexander* explained to the CAC that PDC developed future budget allocations using the same percentages as the current 5-year allocations. The majority of CAC members who responded thought the allocations were reasonable. Some people recommended an increase in the Business and Industry budget and a reduction in the Infrastructure budget.

Sarah Carlin Ames clarified that of the remaining \$120 million in capacity, there is potential for \$37.6 million in projects in the expansion areas. *Bob Alexander* agreed and added that known projects (referenced on the [Gem list document](#)) referred mainly to programmatic dollars. He reminded the CAC that PDC leverages funds from tax increment with private funds. Over the last few years, with the economy, those partnerships have been slower.

John Jackley stated that with the potential investment in the expansion areas (not including the Rose Quarter), almost 1,000 jobs are created, conservatively (see [Potential Investment in Expansion Areas](#)). Factoring in the average salary in Portland, the expansion areas produce an annual payroll of \$25-35 million going back into the community. *Bob McKean* asked if that figure included construction or permanent jobs? *Jackley* clarified that these figures were permanent jobs only. *Bob McKean* pointed out that the Business and Industry allocation in the current and projected budgets seem small. Does it make sense to increase the allocation to help create permanent jobs and wealth in the neighborhoods that are impacted?

Marissa Madrigal asked for specific figures for ICURA projects outside of the Gem list. *Bob Alexander* explained that there are not specific dollars identified in the Plan. The Plan is a 20-year plan and PDC couldn’t possibly budget out that far in advance. Beyond a 5-year look, the budget is very categorical.

Damien Hall agreed with *Bob McKean* that more funds in the projected budget should be allocated to Business and Industry and Infrastructure allocations should be reduced. His rationale was that in the current 5-year budget, public investment would generate more viable private development, which could then pay for the infrastructure associated with its impacts in the out years. *Chair Wilhoite* responded that he would love to see more dollars go into job creation. *Sarah Carlin Ames* suggested a 10% reduction in Infrastructure and move to Business and Industry.

Sarah Carlin Ames asked about the potential for a streetcar along Martin Luther King Jr. Blvd. Is that part of the Infrastructure budget? *Bob Alexander* responded that there was no intention to fund any specific project in the projected budget. Clearly if it was going to be funded, that is the category it would come from. *John Jackley* reminded the CAC that there isn’t a single project that is 100% dependent on PDC funds. For example, Killingsworth Station would have been completed years ago if the developer were able to secure a construction loan, which went away as a result of the economy. Even infrastructure projects such as parks require sufficient general funds to be maintained and policed. It’s hard to make really long-term projections because everything is jointly financed. *Roslyn Hill* added that most people she talks to think PDC pays 100% when in reality it is closer to 20-30%. If you want to increase the

Business and Industry budget, you need to ask City hall to increase PDC's portion of the general fund. *J. Isaac* added that, when there is a developer and they can bring immediate jobs, that is an opportunity that we have to consider. Regarding Ames' streetcar comment, *J. Isaac* stated he sits on the Streetcar Board and additional streetcar work will take place well into the future, not anytime soon.

Skip Newberry stated that Mayor Adams is supportive of increasing funds for PDC to focus on economic development and job creation; last year PDC's general fund share increased over 27% but it was a hard sell. If people want to see that happen again, they need to talk the other members of Council.

Abigail Webb asked how do construction jobs transition into permanent jobs? *Bob Alexander* responded that a component of business loans is the Quality Jobs Program, which determines the loan amount based on the number of permanent jobs created.

Sarah Carlin Ames asked if PDC could share the spreadsheet of [financial impact to taxing jurisdictions](#) with the CAC because impact to taxing jurisdictions is one of the criteria we discussed.

John Jackley reminded the CAC how this process began and about the numerous community requests PDC received to take a fresh look at the priorities in N/NE Portland in a way that benefits community residents first.

Chair Wilhoite stated that he felt there was majority agreement to bring in all expansion areas. He also mentioned he raised the question of increasing maximum indebtedness a few times and has not heard any push for this.

Public Comment

Lisa Reed Guarnero from the Center for Intercultural Organizing stated they are in support of the 1% proposal under the community benefit agreement umbrella. A minimum of 30% hiring of local minority contractors should be required.

Wren Doggett of the Lotus Seed stated the non-profit recently relocated into N/NE Portland and wanted to know how their business fit into the study.

Harold Williams of CH2A encouraged the CAC to move forward with the process.

Pam Arden, Kenton resident and ICURAC member, stated that she was disturbed when she found out this process was starting. The ICURAC has a lot of projects on their list. They were told early on that they had very little money to start with and that they had to wait. Therefore, they have been very conservative and have not allocated every dollar to every project. But they are not going to have their chance if this amendment goes forward.

Representative Tina Kotek agreed with Pam Arden's comments. Asking this committee to make a decision on the Rose Quarter without financial information seems unwise. There is no reason why this committee can't wait and make recommendations for an amendment just for the Rose Quarter later in the year. She encouraged the committee to think creatively about how they can make changes to the urban renewal area now that will fuel the recovery, but help the folks who are struggling now. For example, if the committee considered raising maximum indebtedness with the understanding that this would trigger immediate revenue sharing to taxing jurisdictions, that could help the school

districts and the county who are struggling right now. How can tax increment be used more creatively to help small businesses?

Gary Marschke stated that any discussion about the Rose Quarter inclusion in the ICURA needs to be a transparent process. He also stated that part of the NECN outreach process included research from Portland State students. He clarified that their recommendation that information should be easier to locate was based on community feedback that they need access that does not require extensive exhaustion of resources. Marschke supported the expansion of the ICURAC to the Killingsworth node. He advocated for a triple bottom line return on investment. He also supports the 1% proposal and \$1.99 ticket fee.

Xavier Allen, micro-business owner, supported the 1% proposal and \$1.99 ticket fee.

Chris Duffy, co-chair of ICURAC and Chair of Arbor Lodge Neighborhood Association, stated that on March 30, their neighborhood held an open house to get feedback on this process. What they heard at this meeting was that people are very skeptical of investing in the Rose Quarter area. She supported the south side of Lombard Street and St. Johns Town Center expansion areas. She also addressed the issue of changing the state route from Lombard to Columbia Blvd. The Bureau of Transportation has submitted an application to the state for process to begin. The ICURAC has endorsed this project and if it goes through it will require a major investment.

James Posey stated that PDC needs to do a better job of tracking where the money goes and who benefitted from it.

John Washington, Flossin Media, encouraged PDC to utilize alternative media to reach out to the community

Kay Newell stated that tax increment is a 40-year credit card that they have to pay back. This is taking the tax base from taxing jurisdictions. Second, give the ICURAC their opportunity to finish what they've planned. Third, find another way to help small areas like Woodlawn and Alberta.

Stephen Green, NE resident and PDC employee, shared some examples of positive experiences PDC has been involved in recently like Spiffin' Up MLK and the Classic Foods ground breaking. He reinforced the fact that PDC has been engaged in the community and is part of the community.

Harold Williams Two reminded the committee of the importance of the Trailblazers. They can leave Portland if they want to. They are the biggest marketing tool Portland has. People who come to the Blazers games use Tri-met; people from all over the city come to our neighborhood.

Skip Newberry, in response to Gary Marschke, reminded the audience that there are a number of ways to get involved in the Rose Quarter Development Project.

Chair Wilhoite wrapped up the meeting by saying the CAC will vote on recommendations at the next meeting. If you cannot come, you need to designate someone in advance to vote in your place. There will be no absentee voting.

The meeting adjourned at approximately 8:27 p.m.

The next meeting will be held on May 19, 2010 from 6:00 – 8:00 p.m., also at the Billy Webb Elks Lodge.

Meeting Summary prepared by Morgan Masterman, Portland Development Commission