

CENTRAL EASTSIDE



Central Eastside Urban Renewal Advisory Committee (URAC)

Meeting Summary

January 12, 2009

Present: Susan Lindsay, Buckman Community Association; Michael Whitmore, Kerns Neighborhood Association; Susan Pearce, HAND; Jeff Reaves, At-Large; David Lorati, Central Eastside Industrial Council; Juanita Powell, At-Large; and Rick Michaelson, At-Large

Guests: Linda Nettekoven, HAND; Lee Perlman, Hollywood Star/SE Examiner; and Todd DeNeffe, Cascade Commercial Real Estate, Inc.

Staff: Kia Selley, Joleen Jensen-Classen, Tony Barnes, and Denyse McGriff, Portland Development Commission

Chair Lindsay called the meeting to order, welcomed everyone, and asked for statements of conflict. None were declared.

1. Review of the meeting summary of November 17, 2008 - It was moved by Michael Whitmore and seconded by Juanita Powell to approve the meeting summary. **Members voting in favor of the motion are: Lindsay, Powell, Whitmore, Lorati, Michaelson, and Reaves. Abstention: Pearce**

2. Review of the meeting summary of December 8, 2008 - A motion was made by Susan Pearce and seconded by David Lorati to approve the meeting summary. **Members voting in favor of the motion are: Pearce, Lorati, Powell, Lindsay, Whitmore, Reaves, and Michaelson.**

3. Status of the Proposed New Housing Bureau - Kia explained that Mayor Sam Adams and Commissioner Nick Fish announced the creation of a new Housing Bureau. The new bureau will consist of the former Bureau of Housing and Community Development (BHCD) and the Housing Department of the Portland Development Commission. Joleen Jensen-Classen stated that at the beginning of March or April of this year a written transition plan will be developed through Commissioner Fish's office. The idea is to have that plan in place by the end of 2009. In the interim, the PDC Housing Department will stay intact.

Lee Perlman asked if the community development part of BHCD will go to PDC. Joleen replied that it is possible. Susan Pearce asked what the extent of a public outreach program being put together is regarding this change and the affect on TIF set-aside.

Michael asked about the difference between BHCD and the new Housing Bureau. Joleen replied that there are several entities which deal with housing issues in Portland - BHCD, PDC, and the Housing Authority of Portland (HAP). BHCD does housing and the associated economic development, generally using federal housing and community funds. Some of that work may come to PDC or vice versa. The new housing bureau will consolidate all housing issues in the city.

Susan Pearce wondered how the TIF funds will be kept separate for projects in URAs and outside of URAs.

Kia added that the new Urban Development Department is moving forward with the two remaining operating departments. Progress will be a bit slower with the work being done on the new Housing Bureau. Staff will keep the URAC posted.

4. Amended Budget – CES URA 2008-2009 - Kia walked the Committee through the budget line items. One of the new requirements from our Executive Director, Bruce Warner, is that all budgeted funds be spent within the fiscal year.

- Streetcar - this line item is increased due to the increased cost of the risk assessment.
- 10048 - we hope to end our responsibility and maintenance of the docks at the Eastbank Esplanade; we are still working with Portland Parks on an agreement.
- 10060 - Commercial Redevelopment Loan Fund - reducing this line item to \$100,000; we have not had much interest in this program.

Michael Whitmore asked about the \$7,185,106; "Is this real cash or borrowed funds?" Kia replied that some of the funds are revenue but most of it is the line of credit.

- Convention Plaza Interim management - \$120,364 - future gap payment and demolition costs; the Committee expressed concern with this amount; Kia explained that this line covers the bare bones of upkeep of the building – lights, sprinkler system, and heat.
- Burnside Bridgehead Planning - future gap payment and predevelopment for the proposed project.
- 10023 - Storefront Improvement - this line item was increased.
- 70017 - CES Business Finance - we haven't had much recent activity and it has been recommended that we reduce this line item.
- Personal Services and Indirect Cost - this line item has increased slightly.

Michael Whitmore asked the question "If staff is being transferred to another bureau shouldn't the number be smaller?" Kia replied that this is being discussed by the Executive team.

David Lorati noted that there continues to be a tug-of-war about how the money is being spent but how to reduce the overhead is not being addressed.

Susan Lindsay wanted to know why the overhead is going up. Kia replied that more staff is doing work in the Central Eastside. Kia acknowledged that these concerns are valid and suggested that perhaps it should be included in the letter the URAC will be drafting to the Commission.

Susan Lindsay asked about the line item for Central City Concern/Hooper Center. Kia stated that the detox facility/Sobering Station will be staying in the Central Eastside.

Michael Whitmore stated that the Burnside Bridgehead project is still the engine we need to move the Central Eastside forward. Jeff Reaves noted that any future developer of the Burnside Bridgehead site should come up with the costs for planning and predevelopment upfront. Juanita Powell asked how much money Opus put in on the previous effort. Kia replied that about a half a million dollars was spent by Opus on the predevelopment effort. She further noted that funding to Beam Development has not been fully defined. We don't currently have \$6.4 million for gap financing.

Michael Whitmore asked if Beam is interested in Convention Plaza. Kia stated that the team has expressed some interest in the re-use feasibility of the building. Michael noted that we [PDC] continue to have expenses on the Convention Plaza building.

Susan Lindsay asked about the FY 2013-2014 budget year. Kia said we are trying to look ahead for TIF set-aside expenditures. We will not get to the \$35 million mark so our set-aside will stay at 15%. Susan L. is concerned with the majority of the funding going to the 0-30% projects - it is too heavily weighted. What about workforce housing?

5. CES URA Draft of the Proposed FY 2009-2010 Budget - Kia said that a special budget meeting has been scheduled for January 22, 2008 at 5 pm. This will be an additional opportunity to get very specific about questions, concerns, and comments prior to the budget work session in February.

6. Project Updates - Burnside Bridgehead - Kia reported that a Memorandum of Understanding (MOU) is being negotiated with Beam Development. Some of the items to be included are roles and responsibilities and outlining what needs to be done. The MOU could define what products will be produced; determine whether a framework plan is needed, site access, circulation, and what the program elements will be. Next steps will be reviewing documents and, potentially, approval in the spring. She will share any future information on the MOU with the URAC. In addition there will be a re-use analysis with a third party review on the Convention Plaza building. The scope will be out in the next two months.

Michael Whitmore suggests we look at the budget and put in some additional dollars for gap financing and predevelopment work.

Kia noted that the Burnside Bridgehead CAC meeting has been postponed until February. It should also be noted that Rick Michaelson is the URAC representative on the Burnside Bridgehead CAC.

7. Project Updates - East Burnside Couch Couplet - Kia reported that there is nothing new to report on this project. July 2009 is the construction start date and the project is still on track. Staff is working on an Intergovernmental Agreement (IGA) with PDOT.

Jeff asked if Beam Development anticipates any changes to the road alignment on the [Block 76] site. Kia said not at this time. Beam is still studying the plans.

8. Project Updates - Routes to the River - Denyse reported that she had a meeting with the City Traffic Engineer, Rob Burchfield, regarding the Salmon Street signalization study and PDOT staff is supportive of our efforts. Denyse will be working with PDC staff person Trang Lam to complete the work.

9. Clay Street/Green Street Project - Susan Lindsay reported that BES staff gave a presentation of the Clay Street/Green Street project to the CEIC Land Use and Transportation committee. Some of the concerns of the eastside stakeholders are loss of parking and the cost of the overall project. Susan Pearce said that Alice Meyers had approached HAND about the scope of this project. Susan further noted that she has been opposed to this project in the past.

10. Terms of Service - Joleen Jensen Classen noted that each of the presidents of the represented organizations currently serving on the URAC will be receiving a letter regarding the terms of service. Terms will end for Susan L., Susan P., Jeff, Peter, Rick, Juanita, Tim, Jim,

and Michael on June 30, 2009. Joleen would like to receive names of those being re-appointed and newly appointed by April.

Being no further business the meeting was adjourned at 6:05 pm.