

**RIVER DISTRICT
URBAN RENEWAL ADVISORY COMMITTEE (URAC)
Meeting Summary
Tuesday, January 27, 2009
4:00 p.m. – 6:00 p.m.**

**Portland Development Commission
222 NW 5th Ave. First Floor Commission Conference Room**

URAC Membership: David August, Nancy Davis, Jamie Dunn, Patricia Gardner, Patrick Gortmaker, Ann Hudner, Tony Jones, Mauricio Leclerc(Ex-Officio) Louis Lee, Alexander Mace, Ed McNamara, Eric Steinmeyer, Doug Shapiro, Stephen Ying

PDC Staff: Peter Englander, Sarah Harpole, Joleen Jensen-Classen, Steven Shain, Barbara Shaw

Guests: Allan Classen (NW Examiner), Roman Kultayev, Pearl District, Michelle Martin, Ashforth Pacific.

Welcome and Introductions

Joleen Jensen-Classen opened the meeting and welcomed committee members, staff and guests. Attendees around the room were asked to introduce themselves.

Public Comment

A letter from Ben Gates of Central City Concern was distributed to the URAC because Ben was unable to attend the meeting. The URAC members agreed to incorporate the letter in their discussions.

LUBA Appeal

Steven Shain reported that neither the City of Portland nor the Friends of Urban Renewal had filed an appeal of LUBA's decision on the satellite district. Even though PDC prevailed on five out of six issues, the satellite amendment will not take effect unless city council addresses the remanded issue of how the public building benefits the River District Urban Renewal Area. If city council decided to address the remanded issue, they would direct PDC to amend the amendment which would then go back to city council for their approval. If city council approves this action, the satellite amendment would go into effect unless it was appealed back to LUBA.

Steven also clarified that the \$19 million dollars allocated for the satellite district would not be available for other projects in the River District URA because it is a separate amendment. The total maximum indebtedness of the River District URA would be reduced by the \$19 million dollars.

Budget Process for 2009-10

Tony Barnes outlined the budget process. We are currently in the first stage of the process. The PDC Executive Team will review the draft budgets from all URAs between February 4 and February 20, 2009. Once the PDC Executive Team has reviewed the overall budget, it will go to the Mayor for review. The budget then will be reviewed by the Office of Management and Finance and City Council in March of 2009. City Council will review the budget as the PDC Budget Committee in May. The PDC Commission will vote on the budget late May or early June and the budget will be adopted in June of 2009. Tony will have the final budget schedule with opportunities for public comment available before the end of the week. Staff will send the information to the URAC.

2009-10 Budget Discussion

Steven Shain began the discussion by identifying changes in the budget since the last URAC meeting:

- The Retail Loan Program (10225) dollars have been combined with the Redevelopment Loan Fund (13135) to make dollars available for as yet unidentified development opportunities.
- \$200,000 was added to the Public Site Improvement (11263) line item for street improvements in the district as requested by PDOT.
- \$1 million dollars was added to the HSP Affordable Rental Housing (37926) line item to balance the dollar amount for the 30 percent set-aside requirement for affordable housing.
- A new line item, OTCT Homeownership Development was added to the budget with \$3,400,000 allocated in fiscal years 2010-11.

Steven also reminded the members that the amounts in years beyond 2009-10 are not binding on PDC. Only the amounts in 2009-10 fiscal years will be voted on by PDC and Portland City Council.

Questions followed:

- Why was there a \$27 million dollar reduction in projected revenue between 2008-09 and 2009-10? Because of the economy, PDC chose not to sell bonds during that time period as income is sufficient for current projects.
- What determines the Personal Services and Indirect Costs line item amount? This amount is calculated as 15 to 20 percent of the total project/program expenses. It will be adjusted over time as staff bills their hours to specific projects. The amount in this line item is higher for 2009-10 than out years because of the time required for finalizing actions related to the Resource Access Center project.
- How is the Housing budget affected by the new bureau? All Housing dollars are still in the PDC budget and projects are moving forward. It is anticipated that the actual transfer of staff and dollars will take place during the 2010-11 fiscal years. Even so, Housing projects will still be reflected in PDC's budget through an intergovernmental agreement between PDC and the Housing Bureau.

URAC Discussion

Patty Gardner from the Pearl District NA explained that representatives several organizations that are represented on the URAC met to discuss the budget. They developed a guiding principle for making budget decisions which is: The creation of a mixed use, mixed age, mixed income neighborhood for the River District URA.

They identified key projects that must go forward in order to meet that guiding principle:

- The Post Office and North Broadway
- The Heart of Chinatown
- The Burnside-Couch Couplet
- Centennial Mills and North of the Pearl area

Items identified that were not in the current budget

- A school and daycare facility for the URA. Nancy Davis, representing Central Portland Families, stated that birthrates for the census tracts that make up the River District URA (tracts 50 and 50) reported 141 children born during 2007. This number was subsequently corrected by Troy Doss from the Bureau of Planning and Sustainability to 47 births in 2007. He apologized for the incorrect data.
- Family housing and the development of a balance of low income housing between the Pearl District and Old Town/Chinatown NAs.
- Work Force Housing should be developed on any block possible.
- A study of Union Station to find a purpose for it that makes money. Sara Harpole from PDC's Central City team reported that an effort is underway. Specifically, an analysis will be made to determine if the Greyhound Station can move into Union Station. The money for the study is divided between the line items for the Post Office and Union Station. There was a request to separate it out and staff will consider that suggestion.
- There needs to be an allocation for the Park Block in front of the 511 Building. PDC is working with the Parks Bureau on this project. PNCA projects beginning renovations on the 511 Building in 2012 when Homeland Security will have relocated.
- The Flanders Bike Boulevard with east and west connections. Mauricio Leclerc from PDOT said this project will part of a study of district transportation improvements and is included in the \$200,000 represented in the Public Site Improvements line item (11263).
- The bridge to Centennial Mills was not reflected in the budget. Steven clarified that the amount for the bridge is in the Centennial Mills line item (13104).

Additional Comments/Suggestions regarding the budget

- The URAC needs to review the DTWF URA budget in order to better understand projects in that area that will impact the River District such as the Block 33 project. Staff will provide information on the DTWF URA budget at the next meeting.
- The amount of money for Pearl Family Housing (32129) is not sufficient to complete the project.

- Move the Multnomah County and Satellite amounts allocate in 2012-12 and 2013-14 to later years.
- There was some confusion regarding how the federal economic stimulus dollars would be allocated to current projects. Some members thought the Eastside Streetcar project would qualify for those dollars. Steven clarified the information was not available at this time.
- Steven clarified that if the One Waterfront project was determined to be not feasible, PDC could acquire the property.
- The PBA is disappointed in the removal of funds from the Retail Loan Program (10255) which they consider important to the success of retail in the downtown core. Steven Shain reminded the PBA representative that those funds were rolled into the redevelopment loan program and are still available.

The URAC then began a discussion of affordable housing projects in the district and the concern that some of them have that the city is not getting the best value. They expressed concern about the cost per unit also. Members then discussed the planned use for Block 25 in Old Town/Chinatown and Block U in the Pearl District. Block U will house the Resource Access Center on the western portion of the block and PDC and HAP are planning to enter into exclusive negotiations regarding the use of the eastern portion of the block for a period 36 months. Block 25 will house the new Blanchet House and required parking for Northwest Natural Gas employees. Some members felt this use pattern compromised both blocks and limited their effectiveness as development sites.

After considerable discussion Eric Steinmeyer presented a motion, with a friendly amendment from Ed McNamara, that the River District URAC take the following position:

PDC should consider relocating Blanchet House to Block U to allow for maximum development potential on that block. That PDC should refrain from an agreement with HAP for exclusive negotiations regarding the use of the eastern portion of Block U for 36 months in order to maximize the development potential on that block. David August provided the second and the motion carried unanimously.

PDC staff will review all the comments and suggestions made this evening and attempt to incorporate them into the budget for the URAC to review.

The URAC will meet on February 10, 2009 at the offices of Hoyt Street Properties 1022 NW Marshall Suite 270.

The meeting adjourned at 6:00 p.m.

Submitted by
 Joleen Jensen-Classen
 PDC Public Participation Manager