

J. Scott Andrews
Commissioner Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

This document constitutes the official meeting records of the April 30, 2012, Portland Development Commission (PDC) Board of Commissioner's Meeting held at 222 NW Fifth Ave, Portland, OR 97209. The full video recording of this meeting can be found at:

http://www.youtube.com/watch?v=kWquX_GMZqU.

1. Call to Order and Roll Call

Chair Scott Andrews called the meeting to order at approximately 3:05 p.m. Ms. Emily Swensen, acting as Board recording secretary, called the Commission roll:

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| Chair Scott Andrews | PRESENT |
| Commissioner Aneshka Dickson | PRESENT |
| Commissioner John Mohlis | ABSENT |
| Commissioner Steven Straus | ABSENT |
| Commissioner Charles Wilhoite | PRESENT |

Chair Andrews announced that though Commissioner Mohlis was not present for the roll call, he would join the meeting by telephone at 4:45 p.m. to participate in discussion and voting concerning Resolution 6935.

2. Commissioner Reports

Chair Andrews

- Chair Andrews announced that Commissioners Wilhoite and Mohlis have been reappointed to the PDC Board. This will be the third term for both and represents six years of dedicated service for each. He expressed his congratulations and appreciation to both for continuing, even as PDC faces myriad changes – economic ups and downs, organizational and staffing changes, and coming change on the City Council. It is incredibly beneficial to PDC to maintain its stability at the board level.
- Congratulated Commissioner Dickson on receiving the well-deserved St. Mary's Academy Award for Career Achievement last month. Commissioner Dickson said it was a great tribute and was glad her family could share the moment with her.
- His business, Melvin Mark Companies, recently held a broker education event focusing on PDC's tools for bringing a new business to Portland or helping a business grow. The three panelists were representatives from PDC-funded companies, including Showers Pass outerwear, Indow Windows and Working Class Acupuncture. It was attended by 40 people and very well received.
- Testified on PDC's behalf before the City Council in support of the Portland Plan, which was approved the council one week later.
- Served as master of ceremonies for PDC's Earth Day celebration. Osvaldo "Ozzie" Gonzalez, LEED project administrator at CH2M Hill, provided an inspiring keynote speech. Chair Andrews noted Mr. Gonzalez's message tied neatly into the Portland Plan through its triple bottom line approach combining sustainability, job growth and social equity. Mr. Gonzalez's talk can be viewed online at <http://www.youtube.com/user/PDXDevelopmentComm>.

Commissioner Wilhoite

- Seconded comments congratulating Commissioner Dickson for her Award for Career Achievement.
- Thanked PDC staff, Executive Director Quinton, fellow commissioners and City Council for supporting him in another term at PDC. Spoke about the great rewards of being able to affect the city you love, where you work and live. He is looking forward to the next term.

Commissioner Dickson

- Warmly thanked her fellow commissioners and Executive Director Quinton for the tributes they contributed to her award presentation.
- Also expressed her congratulations and appreciation that Commissioners Mohlis and Wilhoite will continue for another term.

3. Executive Director Report

- Added his congratulations to Commissioner Dickson and expressed thanks to Commissioners Mohlis and Wilhoite for continuing their Board service.
- Said he spent previous ten days traveling on the east coast. First stop was in Washington, D.C., co-leading Portland business delegation to White House with City Commissioner Fish. Portland business leaders were invited to share issues and priorities with White House Business Council, plus cabinet officials from Departments of Treasury, Commerce and President's National Economic Council.
- Spent one day with Philadelphia Industrial Development Corporation, learning how it does business and some of its best practices. Said he would share those with Board and staff soon.
- Spent several days in Cleveland with Portland delegation of 50 leaders from different organizations, surveying a wide array of best practices. He was accompanied by Kimberly Branam, Deputy Director - Strategy & Operations, and Peter Englander, Central City Manager. He said Cleveland is a great example of a community with strong institutions, particularly universities and foundations, playing a very significant role in the direction of the city.
- An updated Portland Plan – the first since 1980 – was approved by City Council on April 25, 2012. He said the Portland Plan reflects a number of the strategies that guide PDC's work, and PDC has played a significant role in helping to craft the direction of sections of the plan focused on economic growth and prosperity for the city, as well as healthy neighborhoods and equity.
- Since the last board meeting PDC has hosted a number of public forums, including one April 17 presenting the proposed new Educational Urban Renewal Area Plan. Executive Director Quinton and Portland State University (PSU) President Wim Wiewel presented jointly and received a lot of public feedback. He said he appreciated both the public enthusiasm and thoughts shared about some of the open issues.
- On May 2 he will speak before the Oregon Emerging Local Government Leaders Network forum, a group of local public sector employees focused on providing leadership and development opportunities for the next generation in public service.
- The Software Association of Oregon (SAO), a primary partner in PDC's cluster work, hosts its annual dinner on May 3. PDC was a co-sponsor of the event. Executive Director Quinton will present some of PDC's leading initiatives.

- On May 15 PDC, the City of Portland and the Oregon Consular Corps will co-sponsor the Annual International Business Awards and Scholarship Dinner. About 1000 people will attend to honor seven companies that have made a significant contribution to the state. He said it is a great chance to showcase all the work and commitment that make Portland an increasingly global city.
- He announced a current PDC Request for Innovation Proposals (RFIP), offered in partnership with the Northwest Collaboratory for Sustainable Manufacturing, to promote innovation within the local economy. The purpose of the RFIP is to connect local manufacturers with university research and development assistance for clean technology products and services. Successful respondents will receive technical and business assistance, rather than direct funding. Proposals are due May 30, 2012, with pre-proposal information meetings on May 1 and 18. A total of \$750,000 in funding will be available.
- He announced that Elise Hendrickson has been hired as Construction Services Coordinator. She brings a wealth of direct general construction industry experience.
- He announced that Trang Lam, a six-year PDC veteran who worked previously in the Central City Division, has been promoted to Manager in the Neighborhood Division. She will head up a new business development team directed to go out and make PDC's work with neighborhood businesses a reality. Chair Andrews joined Executive Director Quinton in congratulating Ms. Lam.

4. Meeting Minutes

Chair Andrews called for a motion to approve the April 11, 2012, board meeting minutes. Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Wilhoite
NAYS: None

5. Public Comment for Items Not On Agenda

No public testimony was presented.

CONSENT AGENDA

6. Requesting the City Council to Issue Bonds to Refund Bonds Previously Issued for the River District Urban Renewal Area

With this action the Portland Development Commission requested the Portland City Council to issue refunding bonds for the River District Urban Renewal Area. Additionally, the Commission authorized the Executive Director and the City to execute such agreements on behalf of the Commission and take whatever additional actions were required to issue, sell and deliver the bonds on terms favorable to the Commission and the City.

Chair Andrews noted that this resolution is great news. This action provides for refinancing of existing bonds that will save PDC about \$200,000 a year for the next 11 years, which means more than an additional \$2 million to spend in the River District. It also allows PDC to pay off its line of credit.

The City Council will consider an ordinance on this matter at its May 23, 2012, meeting. If approved by the Council as currently scheduled, the City will issue the Bonds through a negotiated bond sale in July 2012.

Chair Andrews called for a motion to approve Resolution 6940; Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Wilhoite

NAYS: None

REGULAR AGENDA

7. Public Testimony on the FY 2012-13 Budget

Portland Development Commission staff presenting this item:

Mr. Tony Barnes, Budget Officer

The April 30, 2012, Commission meeting provided an opportunity for the public, stakeholders and Urban Renewal Advisory Committee (URAC) members to provide testimony on the FY 2012-13 Requested Budget. The current budget has been developed with a great deal of stakeholder input. URACs and other groups have participated in feedback sessions to create prioritized rankings for proposed projects. From January through April, PDC received a number of letters, which were included as attachments to the Board report. In addition, letters submitted subsequent to the Board report being published or at the meeting itself are attached to these minutes. See Attachment A. This was the final opportunity for the public to provide input on the budget prior to it being published and presented to City Council on May 16, 2012. Another public hearing will be held at David Douglas High School on May 17.

Staff-recommended changes were also considered. Because PDC now has greatly enhanced capabilities for full project budgeting, the process incorporated full staffing costs across all projects and programs for the first time, including all support services such as construction and environmental services, asset management, or legal support. This allows very fine-tuned project-by-project estimates. Mr. Barnes added that as PDC manages its budget over the year, it will be possible to check progress internally on a monthly basis with much more comprehensive data than ever before.

Members of the public providing testimony on this item:

- *Ms. Michelle Reeves, member, Neighborhood Economic Development Leadership Group* – Over 30 members of her group reviewed PDC's budget. Review of general fund requests focused on Neighborhood Prosperity Initiative districts, small business technical assistance, and Economic Opportunity Initiative (EOI) micro-enterprise and workforce training, since these programs are the new direction of economic development. In order for them to be successful, she said, PDC needs to commit to funding them consistently over time. Regarding TIF funds, the group consensus was that PDC needs to focus on both big and small projects. PDC should become an

advocate for what the group designated “the small.” Government processes are designed to work with large entities that have lawyers and experts and consultants, but PDC has the ability to and should break down silos for smaller enterprises, making processes more accessible. TIF funds could provide system development charge subsidies for small projects in disadvantaged areas, and PDC should provide increased outreach to individuals less experienced with development for programs like Development Opportunity Services and Storefront Program grants. People on the street need to know about them. Finally, PDC should stop paying for things with other government funding, like parks and streets.

- *Mr. Damien Hall, chair, Oregon Convention Center URAC* – The URAC members’ disparate comments are included in the Board packet, but one united request focuses on the fact that OCC is sunsetting with no stated plans for a study to look back from a public policy perspective and assess what objectives have and have not been achieved over OCC’s 25 years. The budget should include such a study.

Chair Andrews responded that a study was a great idea. He clarified that while OCC’s last date for issuing bonds is in 2013, some money will remain available after that date.

- *Ms. Jackie Putnam, member, Gateway Program Advisory Committee (PAC)* – The URA is halfway through its lifespan, and the PAC is discouraged at accomplishments so far. There is concern that there won’t be adequate funds left if a catalytic project emerges. While the PAC is pleased with results like the expanded Oregon Clinic, 102nd Avenue improvements and the 97th Avenue Green Street project, it is concerned that the Gateway Commons project will not generate much return on investment because it is workforce housing with commercial, non-taxable ground-floor tenants. Based on past studies, the PAC wants to make some changes, as explained in its written submittal, and is looking to PDC to recruit new economic development in the neighborhood, as well as continuing to enhance and grow existing businesses.
- *Ms. Cynthia Sulaski, chair, Parks Subcommittee, Interstate Corridor Urban Renewal Advisory Committee (ICURAC)* – Hundreds of residents worked together to develop objectives, value statements and guiding principles for ICURA. A great number of those were related to parks and open spaces. However, ICURA had huge up-front costs, including \$30 million for the yellow MAX line and \$7 million for the New Columbia development, which dominated the first six years. From 2001-08, only 2% of the budget was spent on parks. That increased to about 5%, and was supposed to grow to 10% in the next few years. Instead, funding has been zeroed out after FY 2014. In 2009, the ICURAC developed its “Gem List” of highest-priority projects. The ICURAC strongly recommends reinstating dollars at least for Gem List parks and open spaces projects and has submitted a letter to that effect.

Commissioner Wilhoite asked Ms. Sulaski whether she was requesting total reinstatement of all parks projects. She replied that because PDC had not solicited any input for specific dollar amounts, the ICURAC chose to communicate its desires with broad, general statements, rather than specific amounts. She suggested further discussion between PDC and ICURAC is needed.

- *Ms. Chris Duffy, co-chair, ICURAC* – ICURAC’s top concern is that the budget has been stripped of all parks projects. Parks are a priority to thriving neighborhoods and business districts. But priorities seem to have shifted after the North/ Northeast Study, and URAC members are

concerned. She said the Gem List needs to be completed as promised. But there are only eight years remaining for the URA, and with mayoral candidates talking making sure urban renewal areas sunset on schedule, the URAC is asking to have a serious conversation about extending the life of the URA. More generally, ICURAC would like to see more outreach to attract new businesses, new developers, and new services to Interstate, and is pleased to hear PDC has hired new staff with exactly that focus.

Chair Andrews pointed out that sunsetting a URA has to do with the last dates bonds can be sold; it does not mark the end of expenditure of funds. For example, the South Park Blocks URA reached its last date to issue debt in 2008, and there are still funds available. There is time after sunsetting for a logical and thoughtful process to make sure work gets completed as it is supposed to.

- *Ms. Pam Arden, charter member, ICURAC, and 40-mile Loop Land Trust volunteer* – The North Portland Greenway Trail, a 40-mile Loop Land Trust project that has been stalled for several years, will eventually link the Eastbank Esplanade with North Portland. The Land Trust had an opportunity to receive a \$500,000 Metropolitan Transportation Improvement Program (MTIP) grant for a trail study, but needed \$55,000 in matching funds. ICURAC provided \$26,000 to bridge the gap. That will not be possible in future years if parks funding is cut wholesale. \$26,000 is small amount of money for PDC, but it leveraged \$550,000. That money will hire consultants, designers, and trail workers, so a \$26,000 investment leads to millions down the road. PDC says everything has to be viewed through a jobs lens, but can miss seeing the jobs in situations like this. Also, people inherently need parks, trails and ways to get to work besides public transportation.
- *Mr. Brian Newman, campus planning and development director, OHSU/ member, North Macadam URAC* – North Macadam's 2012-13 budget continues to look at business development, property redevelopment and transportation as interconnected priorities. The majority of URA resources are dedicated to projects underway now, i.e. Portland-Milwaukie Light Rail, the South Waterfront Greenway project with Parks, Southwest Moody Street redevelopment, and the Block 49 Gray's Landing housing project. The OHSU Collaborative Life Sciences Building is halfway through construction, and the Gibbs Street Pedestrian Bridge is set to open. All this development means that flow in and out of the area remains a headache, leading to three areas of focus for the remaining URA dollars. The first is the South Portal at the intersection of Bancroft and Macadam. The URAC is designing new ingress and egress there with PBOT to reduce congestion. PDC's \$75,000 contribution will leverage a \$325,000 grant from Metro. Second, Bond Avenue will become a couplet with Moody Avenue, and the URAC would like to invest \$185,000 to into the project to leverage other City funds. The third regards bike and pedestrian improvements, particularly connecting the OHSU and PSU campuses. Each day 1000 students travel between them, so the URAC wants to extend bikeway and bridge connection to the south end of downtown.

Commissioner Wilhoite recognized the economic engine that OHSU represents and the synergy it has achieved with PDC and other entities. He pointed to the common thread throughout today's meeting concerning pedestrian path connections, bikeways and parks. He said that leverage is what PDC tries to achieve with its funding, and he agrees that when considering leveraging opportunities, PDC must look all the way down the line to see job creation potential. He also urged the Board to

re-examine the parks budget in Interstate. The Gem List crystallized the priorities of that community, and assurances that were made in that process need to be honored.

- *Ms. Gay Gregor, president, Leach Garden Friends* – Thanked the Board for reconsider its decision to fund the garden.
- *Mr. David Porter, executive director, Leach Botanical Garden* – Also thanked the Board for continued funding. He said he appreciated Chair Andrews' comment that Leach is "not your typical park," but an extraordinary gem in outer East Portland. He also acknowledged Mike Abbaté, Parks Director, for its ongoing partnership.

Chair Andrews addressed reevaluating the garden's funding. He said PDC has moved its focus from development and housing to economic development, requiring a hard look at every PDC project in the context of the current economy and development opportunities. It means making difficult and unpopular choices. He commended Leach for continuing to work with the Board, even to the point of rewriting its business plan. At the end of the day, he said, the process worked. He urged everyone to go and visit Leach Botanical Gardens.

Commissioner Wilhoite acknowledged that PDC is driven by an economic development focus, but said that parks are a crucial component of thriving neighborhoods and that they do mean jobs. He asked what flexibility the Board has at this point to make changes to the Interstate budget. He also asked ICURAC members whether they were clear on what their priorities were. Finally, he wanted to know whether PDC has been consistent in removing parks funding across URAs, which Mr. Barnes confirmed.

Regarding opportunities to make changes to the budget, Mr. Barnes said that staff will be publishing the budget document in the coming week, leaving a very small window for changes to the budget or five-year forecast. The City Council hears the budget presentation May 16, followed by a public hearing on May 17. The Council can make specific changes at its final hearing and vote May 30, and then it returns to the PDC Board in June. The Board can make changes anytime, as long as no single URA fund increases more than 10 percent in total expenditures for the 2012-13 fiscal year.

Chair Andrews pointed out that PDC's annual budget discussions focus on both a single-year budget and a five-year forecast. A number of fluctuating variables create a lot of changes in PDC financing from year to year, making accurate long-range forecasts extremely difficult. Each individual year really has to be closely scrutinized. Commissioner Wilhoite reiterated his concerns that the ICURAC felt that certain projects had been assured to them, notably those on the Gem List, and wondered what options there were for the Board to reconsider what was in the current version of the budget.

Executive Director Quinton pointed out that last year, Interstate's budget was cut substantially due to reduction of resources, requiring tough choices to balance the five-year forecast because of lower projected assessed values and, ultimately, tax increment. However, Mr. Barnes confirmed that as of right now, the resource picture has improved. Commissioner Wilhoite said he would like to see a discussion scheduled on the calendar for Interstate to at least have the discussion, set the priorities and talk it all out. Chair Andrews stated that he did not believe that, besides parks, any other Gem List projects had been removed from the five-year forecast.

Commissioner Dickson pointed out that some Gem List projects are, in fact, included in next year's budget and that it would be very helpful to continue regularly updating the list of priorities for that year and sharing that information with the Board.

Commissioner Wilhoite said he was very pleased to hear support from so many sources of PDC's economic development focus. He stressed that, in the face of the volume of work that's happening in a place like South Waterfront, he wants to make sure PDC continues to take all the steps it can to make sure women-owned businesses, minority-owned businesses and emerging small businesses get connected to opportunity.

Chair Andrews wrapped the discussion up by giving the green light to presenting the budget document to the City Council as planned on May 16. However, the Board would like to review the numbers for Interstate in particular, reviewing URAC input and potentially making adjustments in line with it.

The meeting recessed from 4:20 to 4:35, when Commissioner Mohlis joined the meeting by telephone.

8. Accepting the Proposed Education Urban Renewal Plan and Directing That the Plan be Forwarded to the Portland City Council for Approval

Portland Development Commission staff and others presenting this item:

Mr. Keith Witcosky, Deputy Director

Ms. Morgan Masterman, Policy Coordinator

Mr. Wim Wiewel, President, Portland State University

With this action the Board was asked to accept the Education Urban Renewal Plan (the "Plan") and forward it to City Council for adoption. The Board previously held a public hearing on this item on April 11, 2012. This action provided a unique opportunity to advance both City and Commission goals to create jobs, attract investment and bring lasting benefits to the region by accelerating the growth of Portland State University ("PSU"). The Plan will direct tax increment resources to the 144-acre Education Urban Renewal Area (the "EDURA") through long-term partnerships with PSU, Portland Public Schools ("PPS"), Multnomah County and the City, with the broad objective of creating an environment of educational excellence, attracting private investment, enhancing blighted properties and developing the region's workforce. Up to \$169 million will be generated for investment in research facilities, business accelerators, affordable housing, and private development.

Chair Andrews declared a potential conflict of interest in this matter due to his partnership interest in two buildings within the boundaries of the urban renewal area. No projects currently defined in the Plan involve those properties, but he declared his interest and his intention to vote in the matter. He turned leadership of the meeting over to Commissioner Wilhoite for the duration of the agenda item.

Mr. Witcosky said the City Council public hearing for his item was scheduled for May 9, with a formal Council vote on May 15. Since April 11, over 9 hours of public presentation and discussion had taken place. On April 17, an open house attended by more than 100 people was held at PSU, where Mayor Adams, PSU President Wim Wiewel and Executive Director Quinton presented the Plan and answered questions. On April 24, the Plan and accompanying report were reviewed by the City Planning and Sustainability Commission to ensure conformance with the Comprehensive Plan (City's land use plan) and the Portland Plan adopted by City Council on April 25, 2012. The Plan was unanimously moved forward for approval by City Council. On April 26, the \$19 million intergovernmental agreement between PDC and Multnomah County was presented and approved by the County Board of Commissioners. Finally, on April 26, the mayor and President Wiewel reconvened the same Central City Committee that reviewed the original, much more extensive version of the Plan in 2009. That group praised the changes that had been made and recommended that the revised plan be forwarded to City Council for approval.

Commissioner Wilhoite said this decision boils down to allocation of resources. Choices have to be made. Educating the population means, without exception, a healthier, more robust economy, which in turn means more resources to invest back into the community. He said the time to make this choice is now.

Commissioner Dickson noted that this decision will add a great deal of value not only to Portland, but throughout the state. She asked for clarification about what the plan will mean for the Lincoln School site, particularly in light of public concerns about significant funds being used to renovate the school while other PPS properties continue to degrade.

Mr. Witcosky answered this 11-acre site in Goose Hollow was part of the URA in order to help increase the density of development. The site presently houses about 200,000 square feet of development, but it has a capacity for 1.7 million square feet. To move in that direction, URA funds will pay for predevelopment work like site and infrastructure improvements to support future development in partnership with PPS.

Andrews addressed public comments made that the process seemed to be moving too quickly. He said that this process began in May 2009 with evaluation of what was to be a much larger district, and numerous discussions led to the conclusion that a reduced URA made more economic sense. Since November 2011 there have been extensive meetings of task forces and committees, events, presentations and other opportunities for participation. He also spoke to the changes in perception he has seen relative to PSU, from educational institution to regional economic engine. Other cities have used their research universities successfully in this way, and he is pleased Portland is moving in this direction. He expressed great appreciation for the collaboration and shared work of the past 3 years.

Commissioner Wilhoite called for a motion to approve Resolution 6935; Commissioner Dickson moved and Commissioner Mohlis seconded the motion.

AYES: Andrews, Dickson, Mohlis, Wilhoite
NAYS: None

At the conclusion of the vote, Commissioner Mohlis disconnected from the meeting.

The meeting recessed from 4:50 to 5:00.

9. Authorizing an Intergovernmental Agreement with Portland Public Schools for \$600,000 for Construction of Jefferson High School Frontage Improvements

Portland Development Commission staff presenting this item:

Ms. Sara King, Neighborhood Manager

Ms. Denyse McGriff, Senior Project Program Coordinator

With this action the Board authorized the Executive Director to execute an Intergovernmental Agreement (IGA) with Portland Public Schools for completion of the Jefferson High School Frontage Improvement Project in an amount not to exceed \$600,000. The Project enables completion of a longstanding community goal – improvements to the frontage of Jefferson High School – and promotes revitalization efforts on the North Killingsworth commercial corridor. The IGA allows PDC to complete the design, permitting, and construction on portions of the PPS property as outlined in Report No. 12-05.

PDC first agreed to contribute to what became known as the Jefferson Plaza Project in 2002, during the first phase of the Killingsworth Street Improvement Project. However, the Jefferson Plaza Project did not move forward at that time. In 2009, both the community around Jefferson and the Interstate Urban Renewal Advisory Committee worked to revive the project so it could be integrated with recently completed public and private improvements along the Killingsworth commercial corridor. The Jefferson High School Project Advisory Committee (PAC) worked through June 2010 to revise and approve a concept plan for the frontage improvements.

Staff explained that in June 2011, the PPS Board of Education approved Resolution No. 4480 supporting these efforts by entering into an IGA to allow PDC access to construct and install the frontage improvements. PPS will be responsible for maintaining improvements post-completion. A letter of support for the project was submitted for the record by Patricia Welch, Manager the North Portland Library and member of the PAC. See Attachment B.

Members of the public providing testimony on this item:

- *Mr. Brian Murtagh, chair, Land Use and Planning Committee, Humboldt Neighborhood Association* – He said that improving the Killingsworth edge of the Jefferson campus has been a neighborhood priority for a long time, and the project has seen many setbacks and delays. He commended Denyse McGriff for putting together an impressive and truly diverse advisory committee with a shared, vested interest in the neighborhood. The improvements will beautify the neighborhood, greatly enhance safety and security, and contribute to renewed prosperity within the business district.
- *Ms. Margaret Calvert, principal, Jefferson High School* – Principal Calvert voiced her support for the project. She said Jefferson has been building a wide array of educational and community partnerships. Colleges and universities from around the state are making financial

investments in Jefferson students, with the belief that they will pay great dividends. This project is an important piece of that support, and it sends the message that Jefferson students are worth investment.

Chair Andrews said he learned as the co-chair for the downtown retail strategy that gaps in business districts act as barriers. On the Jefferson Frontage Project site, there is presently a gap of about 150 feet. People walking down the street see the gap and turn around and go the other way, creating two little districts rather than one connected district with all the leverage that comes along with that. This project bridges that gap.

Commissioner Dickson said it is a win-win when the PDC can help Portland Public Schools at the same time it is achieving its mission objectives to support and improve neighborhood business districts.

Commissioner Wilhoite asked why this project has taken so long to reach this point. Ms. McGriff said there had been great community cohesion early on, but when the leader who had created the momentum died suddenly, the project stalled. Commissioner Wilhoite expressed concern that the design, which features writing on brickwork, might inspire graffiti. Ms. McGriff said the committee had considered that, and the materials used will have a protective anti-graffiti coating.

Chair Andrews called for a motion to approve Resolution 6941; Commissioner Dickson moved and Commissioner Wilhoite seconded the motion.

AYES: Andrews, Dickson, Wilhoite
NAYS: None

10. Endorsing Metro’s Request for Proposals (RFP) Process for a Convention Center Hotel and Authorizing the Executive Director to Enter Into Direct Negotiations with the Selected Developer

Portland Development Commission and Metro staff presenting this item:

Mr. Lewis Bowers, Central City Division Manager

Mr. Eric Jacobson, Senior Project Coordinator

Ms. Cheryl Twete, Senior Development Advisor, Metro

It has been a longstanding PDC goal to attract more conventions and better utilize the Convention Center by siting an appropriately sized hotel adjacent to it. In April 2012, Metro, Multnomah County, the City of Portland, and PDC agreed to a Statement of Principles, which was included in the report, pledging support to pursue development of a privately owned and operated convention center hotel. Metro has identified properties adjacent to the Oregon Convention Center (OCC) eligible for such development, including four publicly owned properties – two are PDC’s – and privately-owned properties.

Adoption of this resolution expressed PDC’s support for a Metro-led competitive solicitation process to develop a privately-owned and operated convention center hotel. It also authorized the

Executive Director to enter into direct negotiations with the selected developer for the disposition of PDC-owned properties in the Oregon Convention Center Urban Renewal Area if that developer expresses interest in any of those properties and agrees to financing terms. Following PDC Board endorsement and Executive Director review of the RFP, Metro plans to issue the RFP in May 2012 and to select a development team by July 2012. The disposition of any PDC properties and any financing terms will remain subject to future Board approval.

Ms. Twete said that last year, OCC had more than \$450 million of direct economic impact in the groin. It sustained more the 4000 jobs and generated more than \$15 million in revenues for state and local governments. A number of past market studies have indicated that Portland has the potential to attract at least eight additional major national conventions per year with an appropriately sized convention center hotel adjacent to the Convention Center itself, which will greatly increase revenues.

Mr. Jacobson emphasized that the Board will have the opportunity to review and approve this project again. Today, the first time, marked the end of Phase I. The Board will review it again at the end of Phase II, after the development team is selected, and once more at the end of Phase III, after a development agreement has been negotiated. PDC's investment in this project includes land and potential funding. PDC owns three appropriate parcels: Block 47; the southern half of Block 43; and Block 26. If interest is expressed, PDC could make those available at fair market value. PDC also has \$4 million budgeted that could be made available at terms to be negotiated.

Each commissioner spoke briefly in support of the project.

Chair Andrews called for a motion to approve Resolution 6942; Commissioner Wilhoite moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Wilhoite

NAYS: None

11. Adjourn

There being no further business, Chair Andrews adjourned the meeting.

INTERSTATE CORRIDOR *Urban Renewal Area*

April 24, 2012

PDC Board of Commissioners
Portland Development Commission
222 NW 5th Avenue
Portland, OR 97209

Dear PDC Commissioners:

On May 23, 2011, the Interstate Corridor Urban Renewal Advisory Committee (ICURAC) sent a letter to the PDC Board and the Portland City Council requesting that the Portland Development Commission reinstate the funds for park projects removed by PDC staff from ICURAC's forecasted budget for fiscal years 2014-15 and 2015-16.

ICURAC members were greatly disturbed to learn that funds for parks projects in fiscal years 2014-15 and 2015-16 had been totally eliminated. In previous PDC budget documents, parks projects in ICURA for 2014-15 were forecasted at \$500,000 for parkland acquisition (the Kenton and Humboldt neighborhoods are park deficient), at \$200,000 for Unthank Park renovations (\$1,600,000 for this project was also eliminated for fiscal year 2013-14) and at \$500,000 for small-scale projects. Examples of small-scale projects yet to be accomplished are lighting improvements at Overlook, Trenton and Farragut Parks; playground and park furnishing improvements at Northgate Park; and park furnishing improvements at Peninsula Park. The parkland acquisition, Unthank Park renovation and small-scale projects were included in the ICURAC Gem List.

At the ICURAC meeting held last Monday, members reviewed the proposed 2012-13 budget for ICURA (dated 1/30/12) and discussed the fact that funding for parks projects for fiscal years 2014-15, 2015-16 and 2016-17 remain at zero dollars. Members present at the meeting discussed re-issuing this advice for further consideration by the PDC Board of Commissioners in hopes that they would consider reinstating those eliminated funds.

Current ICURAC members continue to hold the long-standing belief, expressed by the original ICURAC members, in the value of improving the livability of the neighborhoods within this URA through various means, including enhancing the natural and built resources of its parks and open spaces. We believe that narrowing the focus of funding to projects strictly defined as "economic development" and "job creation" ignores the bigger picture of this URA helping to create healthy neighborhoods in which people want to live and work and employers want to create

and grow their businesses. A number of current ICURAC members participated in the formation of the URA, and have long been committed to "the promises of the program." With the new PDC "jobs" focus for all URA TIF funds, perhaps housing projects can also be viewed as not exceptionally jobs-related? We doubt you would reach that conclusion. We think that parks are of similar importance.

Once again, we thank you in advance for your consideration to an issue that is of vital concern to us.

Sincerely,

Chris Duffy
Co-Chair

Steve Rupert
Co-Chair

January 23, 2012

Portland Development Commission
222 N.W. 5th Ave.
Portland, OR 97209

Dear PDC Board Members,

The Budget Subcommittee to the North Macadam Urban Renewal Advisory Committee has prepared this brief memo to accompany our priority matrix for the fiscal year 2012-13 budget.

North Macadam URA Budget Priorities:

1. Transportation Planning

This line item was renamed “Transportation Planning” and broadened to include three transportation priorities rather than being dedicated solely to the South Portal project. South Portal remains one of the three transportation priorities, but the timing of that project is uncertain due to the suspended status of the Lake Oswego Streetcar project. The budget subcommittee agreed that the \$400,000 in this line item should be available for project scoping and planning for the following three projects and requests that PDC and PBOT staff return to the full URAC this spring with a plan to program the funds among these priorities.

- A. South Portal: PBOT should work with the URAC and other stakeholders to determine if the scope, design and timing of this project should be revised due to the suspension of the streetcar extension project to Lake Oswego. Specifically, the project should be designed around the significantly reduced amount of funding that will likely be available if the federally funded transit project is not part of the scope.
- B. Bond Avenue: Now that Moody Street is close to completion, it is time to develop a final design, phasing and financing strategy for the construction of Bond Avenue north of SW Gibbs Street. The first likely phase is north of the Ross Island bridge to the Marquam Bridge. Phase two will likely be through the ZRZ barge operation from the Ross Island Bridge south to Gibbs Street.
- C. North End Bicycle and Pedestrian Improvements: Major investments in bicycle and pedestrian infrastructure have been made or are under construction with the Moody Street cycle-track and TriMet’s new Willamette River Bridge. However, these improvements end abruptly at the north end of the district at Sheridan Street. Once the new OUS/OHSU Collaborative Life Sciences Building opens, there will be significant demand for better bicycle and pedestrian connections to downtown and the PSU Campus. PBOT should develop a plan to improve these connections.

2. EcoDistrict Capital Funding

The URAC budget subcommittee spent a lot of time discussing the South Waterfront EcoDistrict and potential URA funding for EcoDistrict related capital projects like district energy casings. The committee agreed that these needs shall not be funded out of the transportation planning line items. Further, there is no need for a dedicated EcoDistrict line item in the budget as the Property Redevelopment category is broad enough to allow PDC to participate financially in these capital projects when urgent opportunities arise such as the DE casings crossing Porter Street. However, the full URAC would benefit from a presentation on district energy and integrated infrastructure planning and the planning work to date with property owners.

Thank you and please do not hesitate to contact us if you have any questions about this memo or the matrix of budget priorities for the North Macadam URA.

Sincerely,

Brian Newman
Tom Noguchi
Larry Richards
Mark Gregory
Rick Saito



March 12, 2012

Chair Andrews
Portland Development Commission
222 NW 5th Ave
Portland OR 97209

RE: 2012-13 River District Urban Renewal Budget Priorities

Dear Chair Andrews:

The River District Urban Renewal Advisory Committee has reviewed the PDC draft 2012-13 Five Year Forecast Detail along with the River District budget priorities. The River District focus continues to be to leverage our remaining limited TIF resources on catalytic redevelopment, infrastructure and job creation that in turn will continue to attract private sector investment for the neighborhood and the City. With the declining scale of TIF investment, we must ensure that we use these resources carefully.

Ensuring that the Business Investment Fund is well financed, the district can continue to offer business loans to help support and attract firms that bring potential significant revenue and job growth. This remains the number one priority along with the continued effort of strategic site recruitment funding to ensure that we are looking both locally and nationally to attract potential tenants to PDC and private development sites in the district. Cluster Industry development focus has certainly had successes in the district and continues to be a priority, but this strategy needs to offer flexibility. River District areas may not fit the Cluster focus, but we need to make sure that the PDC makes these important finance programs available on a case by case basis to businesses that are creating economic investment and jobs in the district, but may not be in a cluster industry. This strategy also applies to the Centennial Mills redevelopment project as well.

Under Property Redevelopment, the single most important strategic move for this district, the City and the region remains the acquisition of the Post Office Blocks. Allowing flexibility of these reserve funds for acquisition of these blocks over the next five years will ensure that we do not miss other opportunities in the district. But when development of the Post Office blocks is feasible, this redevelopment site offers job creation, growth and development opportunities not seen by this City in the last decade. The opportunity to bring an urban campus for business and/or national level educational facility to the heart of Portland should be capitalized on.

The remaining priorities in the Property Redevelopment fund are also critical for the district. Ensuring that the timing and allocation of the funds under the Commercial Property Real Estate Loan Program is focused remains the number one priority. These funds along with the continued adequate funding of the Storefront and DOS programs will remain critical in the fragile sections of the River District that cannot afford full redevelopment, but look to activate ground floor vacancies along NW 3rd and 4th Avenues. Continuing to strengthen the retail core along the west end in support of the recent significant investment remains a high priority as well.

The Centennial Mills Redevelopment remains a significant priority. Ensuring successful redevelopment of this site is critical to this section of the River District to truly complete the connection to the river and to help catalyze the development of the north end of the Pearl District. Completion of Centennial Mills has long been part of the community vision plan for the district and redevelopment of this site must meet all the broader public goals. This project will also help resolve the relocation of the Mounted Patrol Unit Horse Barn at the south end of this redevelopment.

While the Portland Housing Bureau does not have any specific new development projects planned, ensuring funds available for the continued upgrades of existing infrastructure and affordable housing inventory will be important. The original City Council Ordinance for the TIF Set Aside in 2006 was recently updated in 2011. We ask that the Portland Housing Bureau continue to work with the River District to modify the proposed guidelines to offer flexibility to help ensure that housing goals are met in the district and specifically in Old Town Chinatown in both the rental market for workforce and student housing in the 60%-120% MFI as well as home ownership opportunities. Balancing the mix of low income housing between Old Town Chinatown and the Pearl District is critical to the overall health of the River District.

Prioritizing the remaining River District TIF resources is a critical task for this district. 2021 is not far away and what we do with these remaining resources will impact the district long after its expiration. We must ensure to leverage every dollar for a maximum return and for the budget cycle for FY 2012-13, we feel that this has been accomplished. Thank you for the opportunity and consideration of the River District URAC priorities for the urban renewal resources for FY2012-13.

Patricia Gardner
Co-Chair, RD URAC

Patrick Gortmaker
Co-Chair, RD URAC

Lloyd Executive Partnership

Julie Burnett
Liberty Northwest

December 27, 2011

Anita Decker
*Bonneville Power
Administration*

Patrick Quinton, Executive Director
PDC

Pat Egan
PacifiCorp

222 NW Fifth Ave.
Portland, OR 97209

Daniel J. Field
Kaiser Permanente

Dear Patrick:

Scott Langley
*Langley Investment
Properties*

The Lloyd Executive Partnership (LEP) appreciates the opportunity to provide feedback on the OCC URA 2012-13 draft budget. We are very mindful that the OCC URA will sunset in 2013 and decisions on how the final dollars will be used are imminent. The vast majority of remaining URA funds should be invested in four catalytic initiatives: **Veterans Memorial Coliseum (VMC) upgrades; the Headquarters Hotel; development to leverage the streetcar investments; and EcoDistrict pilot projects.**

Sarah Mensah
Trail Blazers

The LEP supports the \$17.1 million **VMC upgrades**. Although the draft budget allots these funds over several years, we understand the funding may be consolidated into the current budget. We support this move and completing the project by October 2012. We also support the Rose Quarter/OCC district energy pilot project, which will not only build on the green sports facility achievements at the Rose Quarter, but may reduce VMC project expenses. Should this occur, the LEP supports investing these savings into additional VMC upgrades.

The LEP strongly urges you to restore the \$3.2 million earmark for the **HQ Hotel** in the 2012-13 budget. The HQ Hotel is the most direct and impactful way to grow the attractiveness of the OCC as a convention destination, and renewed interest from Metro reinforces the need to specifically earmark these funds rather than hold them in contingency. We believe that 2012 is the year when both the market and political leadership will be aligned to move this project forward.

In addition, the Inn at the Convention Center project should be put on hold at least until Metro determines the site is not needed for the HQ Hotel. LEP in general does not think the Inn is worth renovating; it should be removed to make room for a more catalytic activity, whether for the HQ Hotel or another project that supports the ability of the OCC to attract more convention business, such as retail and off-street parking.

We believe the **Lloyd Development** earmark will leverage private residential and commercial development along the streetcar line, including the Broadway Bridgehead and the 7th Ave spine, so both public and private partners can maximize the benefits of the streetcar infrastructure investments. Traffic calming and ease of pedestrian movement across and along MLK and Grand, while maintaining efficient freight and auto movement, remains an infrastructure need, especially for successful private development.


Lloyd Executive Partnership Letter

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The **Lloyd EcoDistrict** Board is currently identifying the long-term investments needed to support a broader district-wide sustainability strategy, in addition to its five showcase pilot projects. The LEP supports the \$220,000 earmark for EcoDistrict projects that come out of and are approved by the Lloyd EcoDistrict Board. While PDC may choose to fund additional projects that align with the EcoDistrict principles and goals, the earmarks for the EcoDistrict that reflect the signed Declaration of Cooperation documents should solely be used for EcoDistrict Board-approved projects.

The LEP strongly encourages PDC to focus on projects that are catalytic—having a significant impact or leveraging significant private investment directly or indirectly—will create increment tax revenue and will create jobs and housing opportunities long after the URA is gone.

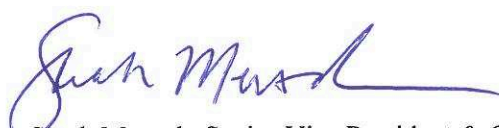
Sincerely,




Scott Langley, President & CEO
Langley Investment Properties



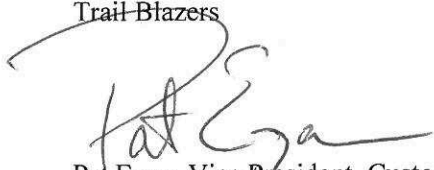
Anita Decker, Chief Operating Officer
Bonneville Power Administration



Sarah Mensah, Senior Vice President & Chief
Operating Officer
Trail Blazers



Julie Burnett, President & CEO
Liberty Northwest



Pat Egan, Vice President, Customer and
Community Affairs
Pacific Power



Daniel J. Field, Director of External Affairs
Kaiser Permanente, Northwest Region

cc: Lew Bowers
Jennifer Nolfi
Peter Englander
Irene Bowers

**MULTNOMAH COUNTY
LIBRARY**

205 N.E. Russell Street • Portland, OR 97212-3796 • PHONE: 503.988.5402 • FAX: 503.988.5441

TO: The PDC Board of Commissioners

FROM: Patricia Welch, Manager, North Portland Neighborhood Library *P. Welch*
Member, Jefferson High School Project Advisory Committee

RE: Jefferson High School Frontage Improvement Project

DATE: April 26, 2012

As a member of the Project Advisory Committee for the Jefferson High School Frontage Project, I offer my appreciation of the Portland Development Commission's support of this project. Jefferson High School is a community landmark and a source of great pride. However, the beauty of this edifice is largely hidden from the casual observer. Only those who work, study or have other reasons to enter the building fully understand its value.

As Jefferson's next door neighbors, we at the North Portland Neighborhood Library are excited at the prospect of a more welcoming campus. Upgrading Jefferson's image will bring it in line with recent neighborhood improvements. We see this as one more step in the revitalization of the North Killingsworth commercial corridor.

If you have questions or require additional comment, please do not hesitate to contact me at 503-988-6280.

Adopted by the Portland Development Commission on May 23, 2012.

A handwritten signature in cursive script that reads "Emily Swensen". The signature is written in black ink and is positioned above a horizontal line.

Emily Swensen, Recording Secretary