

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

This document represents the official meeting records of the October 24, 2012, Portland Development Commission (PDC) Board of Commissioners' 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=Q8X1tnByyzY&feature=g-crec-u>.

1. Call to Order and Roll Call

Chair Andrews called the meeting to order at approximately 2:28 p.m. Ms. Gina Wiedrick, Board recording secretary, called the Commission roll:

Chair Scott Andrews	PRESENT
Commissioner Aneshka Dickson	ABSENT
Commissioner John Mohlis	PRESENT [see note below]
Commissioner Steven Straus	PRESENT
Commissioner Charles Wilhoite	PRESENT

Commissioner Mohlis participated in the meeting by phone.

2. Meeting Minutes

Chair Andrews called for a motion to approve the September 12, 2012, as amended, and the October 10, 2012, board meeting minutes. Commissioner Straus moved and Commissioner Mohlis seconded the motion.

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

3. Public Comment for Items Not on Agenda

No public testimony was presented.

REGULAR AGENDA

4. Action Item: Approving the Third Amendment to the Amended and Restated River District Urban Renewal Plan Making Public Building Findings for Purposes of Investing Tax Increment Resources for Development of a Multnomah County-Owned Building; Authorizing a Grant Agreement with Multnomah County in an Amount Not to Exceed \$26,948,460 for Purposes of Constructing a County Health Department Headquarters in the River District Urban Renewal Area Pursuant to ORS 457.470(10)(e)

Portland Development Commission staff and others presenting this item:
Mr. Keith Witcosky, Deputy Director – Government Relations/Public Affairs
Mr. Jeff Cogen, Multnomah County Chair
Ms. Emerald Bogue, Sr. Policy Advisor to Chair Cogen

With this item the Board is being asked to take two actions that fulfill obligations originally made by PDC in 2008, and assist Multnomah County with the PDC-related authorizations needed for constructing a \$38.5 million, six-story, 90,000 square-foot County Health Department headquarters (MCHD Building) on City-owned property (to be transferred to the County) in the vicinity of NW Sixth Avenue and NW Hoyt in Old Town/Chinatown adjacent to the recently completed Bud Clark Commons, owned and operated by Home Forward.

Multnomah County and Home Forward submitted a development proposal to the Portland Housing Bureau for consideration of the property in December 2011, and they are currently in the process of negotiating a Development Agreement under which Home Forward will serve as the developer for the MCHD Building. Funding from the River District Urban Renewal Area will fund the majority of the MCHD Building. Multnomah County will fund the remaining project costs through internal financing and potential revenue from disposition of the McCoy Building.

Chair Andrews called forward Patrick Gortmaker to provide public testimony and took receipt of Mr. Gortmaker's letter of written testimony, attached at the end of these minutes as Attachment 1.

Chair Andrews thanked Mr. Gortmaker for his testimony and for his service on the advisory committee, and asked Mr. Witcosky to come back to the table for questions.

The Chair had three questions:

- He had heard at one time that the McCoy building may need to be sold before this project proceeds but did not hear that today. Chair Cogen responded that it does not need to be sold prior to the project moving forward but is open to its sale.
- Is the \$13,000,000 only for the seismic upgrades, and not for general remodeling? Chair Cogen confirmed that money is only for the seismic upgrades.
- With regards to the comment about the advisory committee, will that be set up? Chair Cogen responded yes, the request is very reasonable.

Commissioner Straus spoke in favor of the project and its impact on the community. He stated that it may not be the right project for PDC to spend its money on, but on the other hand it is a great way to support the County and its efforts in the community. With regards to the building, he asked if a sale price or a buyer had been identified, and is there something that the PDC can do to help them or to redevelop the site for the city. Chair Cogen responded that they have not identified a buyer, they have a prior appraised value of \$4,000,000 but not sure how accurate that is today, and he has met with Executive Director Quinton to discuss how the two agencies might work together not only on this but other County properties.

Commissioner Wilhoite provided context by stating that he sat on the urban renewal update growth process for South Park Blocks, River District, and Downtown Waterfront; today PDC is honoring a commitment made during that process. He spoke in favor of the project and the work that the County does and its impact to the community and of PDC's and the County's working relationship.

Commissioner Mohlis spoke in favor of the working relationships and of this project moving forward.

Chair Andrews called for a motion to approve Resolutions 6977 and 6978; Commissioner Wilhoite moved and Commissioner Straus seconded the motion.

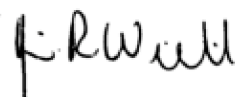
AYES: Andrews, Mohlis, Straus, Wilhoite

NAYS: None

5. Adjourn

There being no further business, Chair Andrews adjourned the meeting at approximately 2:47 p.m.

Approved by Portland Development Commission on November 14, 2012



Gina Wiedrick, Recording Secretary



October 24, 2012

Portland Development Commission
Board of Commissioners

Mr. Scott Andrews, Chair
Ms. Aneshka Dickson
Mr. John Mohlis
Mr. Charles Wilhoite
Mr. Steven Straus

Dear Chair Andrews and Commissioners:

The current proposal for the development of a new Multnomah County Health Department Headquarters on the remaining ½ block on Block U is an important development for our neighborhoods and this City. Block U sits between both the Peal District and Old Town Chinatown and positive development that occurs on this block impacts both districts. The River District Urban Renewal Advisory Committee believes that the development of this new Multnomah County Health Department Headquarters is a positive development that will bring much needed and modernized County services along with over 250 public health professions including doctors, nurses and administrators that will work, eat, shop and perhaps live in the neighborhood.

Communication with the neighborhoods is critical and Chair Jeff Cogan and his staff started making visits with different neighborhood stakeholders back in December 2011. The inclusion of these stakeholders in an advisory capacity through design and development will be critical to this projects continued success.

Maximizing and leveraging the limited PDC Tax Increment Resources is always the goal. Releasing \$17 million dollars to Multnomah County earlier than anticipated for a total of \$27 million in TIF funding is leveraging this opportunity. There will be some short term pressure and adjustment on the River District budget, and we still need to be prepared to make other opportunistic adjustments as necessary so as to not miss transformative development opportunities, whether it is the Post Office Blocks or another development opportunity in Old Town Chinatown.

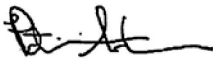
Because this is an important location between our two districts, design will also be a critical element to ensure maximizing density with a compatible infill development. This building will have an impact on the future development of Block R to the south and consideration of these impacts is important. The 6th Avenue corridor to Union Station is also an important view corridor so design impact to this corridor needs to be assessed and addressed. Having an active ground floor retail presence as part of this development will also be important to the districts as well.

Finally we have to be aware that the Portland Housing Bureau and Home Forward are foregoing the development of additional affordable housing on this remaining ½ block that was set aside for this use. When economics are better, they will look to develop additional low income housing. Old Town

Chinatown should not be the place for this low income housing development. Old Town Chinatown is looking for much needed housing balance by ensuring any additional units built in the district focus on middle income, student and workforce housing. This is the type of housing that Old Town Chinatown will need to keep this district moving forward.

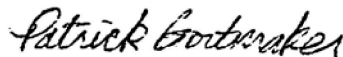
Budgets are flexible and opportunities are always around the corner, so being flexible to not miss these opportunities is necessary. We support the approval of the funding of \$27 million in River District TIF funds for the development of the Multnomah County Health Department Headquarters and believe that it will have a positive effect on the River District and this City.

Thank you for your consideration in this matter and we look forward to this continued discussion.



Patricia Gardner

Co-Chairs, River District Urban Renewal Advisory Committee



Patrick Gortmaker