

Commissioners: Mark Rosenbaum, *Chair* Bertha Ferrán Sal Kadri John C. Mohlis Charles A. Wilhoite
PDC Executive Director: Bruce Warner

This document along with the video and audio recordings constitute the official meeting record of the February 13, 2008 Portland Development Commission Board of Commissioner's meeting held at 222 NW Fifth Ave., Portland, OR 97209.

I. CALL TO ORDER AND ROLL CALL

Chair Mark Rosenbaum called the meeting to order at approximately 3:12 p.m.

Renee Castilla, acting as Recording Secretary for the Board, called the Commission roll:

Chair Mark Rosenbaum	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner Sal Kadri	PRESENT
Commissioner John Mohlis	ABSENT (Commissioner Mohlis arrived at 3:35 p.m.)
Commissioner Charles Wilhoite	PRESENT

II. COMMISSIONER REPORTS

Commissioner Ferran stated she attended the recent Hispanic Chamber Luncheon where she said the topic of conversation was the Oregon Department of Education, Workforce Training, New Market Tax Credits and Affordable Housing opportunities.

Commissioner Kadri stated he attended the North American Handmade Bicycle Show at the Oregon Convention Center. He said he was impressed to see the number of bicycle manufacturers attracted to Portland.

Commissioner Charles Wilhoite said he has been attending the Budget Meetings with the Joint Budget Work Group consisting of two PDC Commissioners, two City of Portland Commissioners and one citizen. He said they have two more meetings scheduled. He also said he attended the Contract Advisory Committee Meeting where they discussed how to better incorporate Minority/Women/Emerging Small Business Owners into the process. He further stated he was pleased to represent PDC at the grand opening of Vanport Phase I.

Chair Rosenbaum stated he toured Martin Luther King Jr. Blvd. with PDC staff and was impressed to see the amount of development taking place, however, acknowledged that there was still quite a bit that needs to occur. He also stated he chaired the recent CEO's for Cities meeting regarding the topic discussed was the need for creation of workforce housing. He stated he met with Housing staff, HAP officials and Commissioner Sten's office regarding the Block 25 development.

III. EXECUTIVE DIRECTOR'S REPORT

Executive Director Bruce Warner presented Report No. 08-14. He highlighted the following:

- Park Block 5 broke ground on January 31 with hundreds on hand to celebrate the event. He said Park Block 5 is located directly behind the Fox Tower and is bounded by SW Park and 9th Avenue and Taylor and Yamhill streets;

- He said PDC is actively engaged in the budget process for FY 08/09. He said this is the first year PDC is meeting with City Council as the official budget committee;
- The Eighth Annual Harvesting Clean Energy conference was held January 28-29, 2008. He said the conference included expert panels and workshops on wind power, biofuels, biopower, geothermal, solar, and energy efficiency;
- He said he was happy announce that PDC received the Governor’s Film Advocate Award – PDC’s support of the film industry as a key segment of the creative cluster was recognized on January 29, 2008 at the Oregon Film and Video Office (OFVO) Annual Meeting.

Chair Rosenbaum asked Mr. Warner to schedule an item on the legislative agenda for June 2008.

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Chair Rosenbaum announced an opportunity to address the Commission for items not on the agenda. As there none, Chair Rosenbaum moved to the consent agenda.

V. CONSENT AGENDA

Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion to adopt the consent agenda.

Resolution No. 6554, titled, “Appoint New Member to the Lents Town Center Urban Renewal Advisory Committee.”

Resolution No. 6555, titled, “Amend Disposition Development Agreement with Soneed LLC.”

Resolution No. 6556, titled, “Adopt Denver Avenue Streetscape Plan.”

AYES: Rosenbaum, Ferran, Kadri, Mohlis, Wilhoite

VI. EXECUTIVE SESSION

Chair Rosenbaum announced that the Portland Development Commission would meet in Executive Session for the purpose of consulting with PDC’s legal team regarding current or pending litigation.

The Executive Session is held pursuant to ORS 192.660(2)(h), which allows the Commission to meet in Executive Session to consult with PDC’s legal counsel regarding PDC’s legal rights and duties with regard to current litigation or litigation likely to be filed.

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience may not attend and are asked to leave the room. Chair Rosenbaum reminded the media that they may not disclose any information discussed during the executive session.

He further stated no decision may be made in executive session. At the end of the executive session, PDC will return to open session and welcome the audience back into the room.

VII. TIF SET ASIDE ANNUAL REPORT

Mr. Andy Wilch and Ms. Leah Greenwood presented Report No. 08-22, titled, “TIF Set Aside Annual Report.”

Mr. Wilch stated through resolution No. 36404, the Portland City Council established a policy to dedicate a percentage of tax increment resources (TIF) in urban renewal areas (URA’s) citywide to the development, preservation and rehabilitation of affordable housing that serves individuals and families earning 80 percent Median Family Income (MFI) or less. Through resolution Nos. 6402 and 6445, The Portland Development Commission (PDC) established the minimum level of spending required in each urban renewal area for affordable housing as well as income guidelines and directed implementation of the TIF Housing Set Aside Program.

Ms. Greenwood stated the TIF Set Aside Policy applied to expended resources beginning July 1, 2006 –fiscal year 2006/2007. The following report summarizes the total TIF expenditures and TIF Set Aside eligible expenditures in applicable urban renewal areas for this first year. It is not expected that the Set Aside spending and income guidelines would be met in a single year, but instead would be met over a five year period. Some key highlights of FY2006/2007 expenditures include:

- Nearly \$20,000,000 of TIF was spent on affordable housing that is eligible under the TIF Set Aside Income Guidelines;
- An additional \$340,000 was spent on projects that will have a TIF Set Aside eligible component;
- Downtown Waterfront and South Park Blocks urban renewal areas exceeded the spending requirements in FY2006/2007; The Downtown Waterfront URA expenditures fell within the adopted income guidelines for all categories;
- The Oregon Convention Center URA met its targets for Affordable Homeownership (61-100% MFI) but did not meet Rental Housing targets;
- The Interstate Corridor URA met Affordable Homeownership (61-100% MFI) and Community Facility targets, but did not meet Rental Housing targets;
- The Lents Town Center URA exceeded spending targets in Affordable Homeownership (61-100% MFI); and
- The River District URA and South Park Blocks met spending targets for housing below 60% MFI, but did not meet 0-30% MFI Rental Housing targets.

VIII. CONVENE AS AUDIT COMMITTEE: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2006/07; AND AUDITORS LETTER TO THE AUDIT COMMITTEE AND MANagements RESPONSE

Ms. Julie Cody presented Report No. 08-18, titled, “Comprehensive Annual Financial Report for Fiscal Year 2006/07; and Auditors Letter to The Audit Committee and Managements Response.”

Commissioner Mohlis moved and Commissioner Kadri seconded the motion to Approve the Comprehensive Annual Financial Report for Fiscal Year 2006/07, Accept Auditors letter to the Audit Committee and Approve PDC Management’s Response to Auditor.

AYES: Rosenbaum, Ferran, Kadri, Mohlis, Rosenbaum

ADJOURN PDC AUDIT COMMITTEE, RECONVENE PDC BOARD OF COMMISSIONERS MEETING

IX. TPI RESOURCE ACCESS CENTER AND BLANCHET HOUSE SITING UPDATE

Mr. Andy Wilch and Ms. Sarah Harpole presented Report No. 08-20, titled, "TPI Resource Access Center and Blanchet House Siting Update."

Ms. Harpole stated staff is providing the following update on the work under way to identify a location for the Resource Access Center ("RAC") that includes a relocation of the existing Transition Projects, Inc. ("TPI") facility and a location for the Blanchet House of Hospitality ("Blanchet House"). The RAC together with the proposed associated low-income housing owned by the Housing Authority of Portland ("HAP") shall be collectively referred to as the "HAP/TPI Development." Staff anticipates presenting the Board with a final siting recommendation for consideration on February 27, 2008.

She said the HAP/TPI Development and Blanchet House are proposed (as set forth below) utilizing resources from the River District Urban Renewal Area. It is feasible to site each development on the same full city block, or separately, in approximately the sizes below. However, it is not anticipated that they will be sited in the same building, and each development will be distinct in physical, financial, and legal regards.

Ms. Doreen Binder stated TPI will be a tenant of HAP and operator of the RAC. She said a permanent home for the RAC and relocation of TPI's existing services is intended to improve access to homeless assistance and provide quick and direct access to programs that move homeless people off the street and into permanent housing. The proposed RAC would include the current services offered by TPI – showers, voice mail, local and long distance phone services, restrooms, food boxes, mailing address and pick-up, case management and rent assistance. In addition, the proposed RAC would include meeting rooms and classrooms, lockers, additional shower and restroom access, medical services, kitchen space, indoor bicycle storage, on site offices/confidential meeting space for visiting programs (employment, legal assistance, etc.). The new location would also allow for a more in-depth client outreach, providing meeting space for extended staff. The relocated facility would be configured to eliminate sidewalk queuing. However, Ms. Binder expressed her concerns regarding combining Blanchet House with the Access Center. She said both organizations offer unique services and she is concerned it would be difficult to keep those services separate and organized.

Mr. Mike Andrews, Mr. Jeff Bachrach and Mr. Steve Lindon stated that HAP would be the developer and owner of the housing project including the RAC. They also stated the amount of low-income housing is still to be determined, and could potentially provide for the existing units located in the Grove Hotel. In addition, permanent supportive housing is integral to meeting the City's 10-year Plan and supports the work of the RAC to move homeless individuals into permanent housing. Mr. Andrews stated HAP also intends to design and construct additional rental housing serving a wider range of incomes. He said it is anticipated that additional retail/commercial space will be provided to encourage an active street-level environment in support of the adjacent existing uses and future development in the area.

Mr. Dan Petrovich stated the Blanchet House would be the owner/occupier of its facility. He explained Blanchet House has been located in the Old Town/Chinatown neighborhood since 1952 and is the only program within the Central City to provide three meals per day for homeless individuals. The Blanchet House has been working with PDC to find a site suitable to replace and improve its existing operations for many years. He said new facilities would allow

for the internalization of the client queuing lines and more adequate dining, kitchen, and storage space. The new facilities will allow for transitional housing for an additional 20 men. Chair Rosenbaum asked for public testimony on Report No. 08-20.

Ms. Suenn Ho expressed her concern of the dual siting of Blanchet House and the Access Center on Block 25. She read a letter into the record.

Mr. Patrick Gortmaker representing the Downtown/Chinatown Joint Land Use Committee stated the Land Use Committee did not take a position on the siting of Blanchet House and the Access Center on Block 25. He urged the Commission to consider the development opportunities of Block 25 and other areas under consideration.

Ms. Teresa Teater representing Sisters of the Road/Street roots emphasized the importance of additional and improved services for the community.

Mr. Stephen Ying representing Chinese American Citizens Alliance, expressed his support for social service activities, however, expressed his concern for the dual siting of Blanchet House and the Access Center on Block 25. He read a letter into the record.

Ms. Jane Demarco representing the Portland Chinese Garden expressed her concern of the dual siting of Blanchet House and the Access Center on Block 25.

Ms. Betty Jean Lee representing the Chinese American Citizens Alliance expressed her concern of the dual siting of Blanchet House and the Access Center on Block 25. She read a letter into the record.

Mr. Larry Norton commented on the absence of the public process and citizen participation. He expressed his concern regarding the decision process without the support of the community.

Ms. Kathryn Krieger, Board Member, Portland Chinese Gardens, expressed her concern of the dual siting of Blanchet House and the Access Center on Block 25 and expressed her support of Block U for the Access Center.

Mr. Dan Petrovich, Blanchet House, acknowledge PDC staff for their hard work. He also mentioned Blanchet House submitted a letter requesting PDC swap the Dirty Duck Building for their current site on Block 25. He also expressed his support for the Access Center on Block U.

Mr. Rudy Monzell expressed his frustration for the property selection process for the Access Center, however, formally submitted his support for Block U.

Mr. Brian Ferschweiler, Blanchet House, expressed his support for the Dirty Duck site because it allows them to proceed with construction with interrupting their current services. He also expressed his support for the Access Center on Block U.

End of Public Testimony

Ms. Harpole said PDC staff is currently leaning toward a designation of Block 25 as the site for the redevelopment of the Blanchet House and a project to be owned and developed by HAP, including the RAC. She said Block 25 is bound by NW Flanders and NW Glisan between NW 3rd and NW 4th, and is jointly owned by the PDC (1/4 block), the Blanchet House (1/16 block), and the City of Portland (remainder of block). The City of Portland is obligated pursuant to a

lease with NW Natural to provide for the permanent daytime use of 130 parking spaces by NW Natural on Block 25.

She said to accompany the siting decision; staff further recommends the Commission prioritize the allocation of financial resources to Old Town/Chinatown (“OTCT”). OTCT is the location of many social service agencies providing services to the homeless and other very low-income individuals and families. With the designation of OTCT as the site for the RAC, the associated low-income housing, and the re-developed Blanchet House, this area will be the permanent location for a considerable component of necessary social services to the homeless and other at-risk populations. Staff concurs with many neighborhood stakeholders in the assertion that other financial commitments to OTCT are required to balance this siting decision. She said specifically this recommendation is for additional financial resources to be committed to incite private sector re-investment in the neighborhood. These financing commitments should be made at the same time as the funding commitment for the HAP/TPI Development.

She said, alternately, the Board could elect to site the Blanchet House on Block 25, and the HAP/TPI Development on Block U. She said if located on Block U, the full block would likely be required. Block U is bound by NW Hoyt and NW Irving between NW 6th and Broadway, and is intended to be studied and redeveloped with the Broadway Corridor Area. This redevelopment opportunity potentially includes the Post Office site, the 511 Building, the Greyhound site, Block R, and Union Station, and will take into consideration the area’s potential future role as a multi-modal, high speed rail center and stimulus for economic development. She concluded that other privately owned sites have been considered since staff’s briefing on January 23, 2008, but were deemed infeasible.

Chair Rosenbaum adjourned discussion on Report No. 08-20 and directed staff to further study options around separation of services to Block 25 and Block U and some back to Commission on February 27, 2008 with a siting recommendation.

X. BUDGET/FTE DISCUSSION

Ms. Julie Cody presented Report No. 08-21, titled, “Budget/FTE Discussion”.

Ms. Cody stated at the February 7, 2008 Commission Budget Work Session, staff presented 11.5 new position requests (FTE/LTE) to be added to the FY 2008-09 Requested Budget. She reviewed the positions. She said adding all positions would increase total FTE/LTE position count from 214.5 to 226.

After discussion, Chair Rosenbaum asked Ms. Cody to look at outsourcing and limited term employees. He further requested an update on February 27, 2008.

XI. PERFORMANCE MEASURES

Ms. Sharon Meross presented Report No. 08-23, titled, “PDC Performance Measures”.

Ms. Meross stated the desired outcomes of the Board discussion included:

1. To develop a common understanding of the current state of PDC performance measurement; T
2. To discuss in depth the metrics that will appear in the FY 2008-09 budget document;
3. To discuss which metrics lend themselves to quarterly performance reporting and annual targets; and

4. To develop a common understanding on the Performance Measurement Program's direction in developing better key metrics – several of which will take significant effort to develop.

Chair Rosenbaum apologized to Ms. Meross for the late hour and requested additional discussion on the item at the February 27, 2008 Commission meeting.


XII. AUTHORIZING SETTLEMENT OF LITIGATION BETWEEN THE PORTLAND DEVELOPMENT COMMISSION AND TYRONE HENRY.

Commissioner Wilhoite moved and Commissioner Ferran Seconded the Motion to adopt Resolution No. 6559, titled, "Authorizing Settlement of Litigation between the Portland Development Commission and Tyrone Henry."

XIII. ADJOURN

There being no further business, Chair Rosenbaum adjourned the meeting at 8:12 p.m.

Approved by the Portland Development Commission on March 26, 2008.



Renee A. Castilla, Recording Secretary