



This document constitutes the official meeting record of the October 8, 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 Wilhoite called the meeting to order at approximately 8:07 a.m.

Ms. Renee Castilla, acting as recording secretary for the Board, called the Commission roll:

Chair Charles Wilhoite	PRESENT
Commissioner Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	PRESENT

II. MEETING MINUTES

Chair Wilhoite directed the Commissioners to page 2 of 7 of the September 24, 2008 minutes. He requested a correction to the third paragraph... the assessment of PDC's efforts to monitor non-contractual requirements" be changed to "the assessment of PDC's efforts to monitor contractual requirements..."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to approve the minutes as corrected.

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

III. EXECUTIVE DIRECTOR'S REPORT

Executive Director Bruce Warner presented Report No. 08-124 and highlighted the following:

- PDC was awarded the "Leadership of Distinction" award from the Urban Land Institute Oregon/SW Washington chapter and was formally recognized at a dinner on September 25, 2008;
- PDC received word from the US Green Building Council that the White Stag building redevelopment received LEED Gold certification;
- The redevelopment agency of Salt Lake City sent a delegation of nearly 20 people to study Portland, Seattle and Vancouver, B.C. on September 17-20;
- PDC held its 50th Anniversary Picnic recently and he expressed his thanks to Commissioner Ferran and Commissioner Mohlis for attending;
- He commented on the successful recruitment of the firm: Vidoop – a new internet security firm that recently relocated to Portland's Old Town neighborhood from Tulsa, Oklahoma;
- He also announced the recent arrival to the central city the firm: Galois – the software company relocated from Beaverton to Portland in order to have access to certain amenities for employees;

Charles A. Wilhoite
Commission Chair

Bertha Ferrán
Commissioner

John C. Mohlis
Commissioner

J. Scott Andrews
Commissioner

Position 5 (vacant)
Commissioner

Tom Potter
Mayor

Bruce A. Warner
Executive Director



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- The Routes to the River project hit a major milestone. PDC staff, in conjunction with the Central Eastside Urban Renewal Advisory Committee, are putting the finishing touches to a final Routes to the River report;
- Introduced the Down Payment Assistance Loan (DPAL) – DPAL is a 4 percent, 30-year, deferred payment, forgivable loan and replaces the Shared Appreciation Mortgage program;
- Created the Mortgage Credit Certificate (MCC) Program for first-time homebuyers;
- Highlighted the NHP Homebuyer Assistance and First Mortgage Loan Production Comparison Summary of Fiscal Year 06-07 to 07-08;
- Highlighted the Monthly South Water Front report for MWESB numbers;
- Communicated to the Board the Business Equity discussion would be coming to them December 10, 2008.

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there was no public comment, Chair Wilhoite moved to the consent agenda.

V. CONSENT AGENDA

Resolution No. 6642, "Adopt FY 09 Internal Work Plan".

Commissioner Ferran moved and Commissioner Andrews seconded the motion to adopt the consent agenda.

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

VI. FY 2008-09 REVISED BUDGET #1

Julie Cody presented Report No. 08-122, titled, "FY 2008-09 Revised Budget #1".

Ms. Cody stated the action would formally amend the current fiscal year (FY) 2008-09 Adopted Budget for the first time this year. This recommended budget amendment authorizes an appropriation to the Ambassador Fund to effect (i) the transfer of residual resources for management of the program to Green light Greater Portland, a consortium of private sector leaders dedicated to growing a sustainable and vibrant economic future for the seven-county metropolitan statistical region that surrounds the City of Portland (ii) the transfer of residual resources associated with TCI conference, to TCI (The Competitive Institute). The items were anticipated by PDC staff to be completed before June 30, 2008 and therefore were not included in the FY 2008-09 Adopted Budget. The budget amendment also recognizes the actual beginning fund balance associated with the North/Northeast Enterprise program and appropriates those resources for spending in accordance with program guidelines. Finally, the budget amendment also reallocates appropriations within the Gateway Urban Renewal Fund from Housing to Development to provide adequate funding for the acquisition of the several parcels (10506-10512, 10520 NE Halsey Street). Finally, the budget amendment transfers appropriation from contingency to the Central Services expenditure appropriation in the Risk Management Fund to facilitate potential claims in FY 2008-09.

She said, in sum, FY 2008-09 Budget Amendment No. 1 (Budget Amendment #1) increases the total PDC budget from \$314,635,119 in the FY 2008-09 Adopted Budget to \$314,899,268

including Transfers, Contingency and Reserves. Excluding Transfers, Contingency and Reserves total budgeted expenditures are increased from \$269,863,204 to \$270,732,858. Commissioner Andrews moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6643, titled, "Approving Budget Amendment No. 1 for the Fiscal Year Beginning July 1, 2008 and Ending June 30, 2009; and Making Appropriations".

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

VII. RESOURCE ACCESS CENTER: AUTHORIZATION TO ENTER INTO A DDA WITH HAP FOR DEVELOPMENT OF BLOCK U AND ACCOMPANYING TRI-PARTY IGA

Mr. John Warner presented Report No. 08-123, titled, "Resource Access Center Authorization to Enter into a DDA with HAP for Development of Block U and Accompanying Tri-party IGA".

Mr. Warner stated Resolution No. 6638 would authorize the Executive Director to enter into a Disposition and Development Agreement (DDA) with the Housing Authority of Portland (HAP) setting forth the terms and conditions under which PDC would provide funding for the proposed development and convey Block U to HAP. The proposed development includes a Resource Access Center (RAC) for the homeless, a 90-bed men's shelter, approximately 4,500 square feet (sf) of retail space in four storefronts, garage parking, and 152 studio apartments (collectively "the Development").

Mr. Warner stated Resolution No. 6644 would authorize the Executive Director to enter into an Intergovernmental Agreement (IGA) between the City of Portland, HAP, and PDC (collectively "the Parties"). The IGA primarily establishes the collaborative nature of the development process and confirms the working relationship of the Parties in the planning and operation of the Development. In addition, the IGA addresses PDC's interests in matters related to two other sites; (i) the IGA affirms the City's interest in moving forward on the development of Block 25 with PDC, and (ii) the IGA establishes that, subject to meeting affordability standards, the housing units at the RAC Development will be replacement units for the housing at the Grove Hotel pursuant to all City policies.

Mr. Mike Andrews representing the Housing Authority of Portland (HAP) stated they have made a lot of progress since they last visited the Commissioners in February 2008. He reminded the Commissioners that since September 2007 a large collaboration of individuals and groups have come together to support the project. He said the project is also important for the City's ten-year plan to end homelessness. He said the recent Auditor's report by the City indicated the great progress the City of Portland has made, however, stated the Resource Access Center was the one piece it needed to move forward. He said the end of October the schematic design will be due to them. They have a contractor already lined up for the project and are just awaiting resolution of the Disposition and Development agreement as well as the Intergovernmental Agreement.

Commissioner John Mohlis stated it was important for City Council to state their support for the long-term operational needs of the Resource Access Center and to make sure all operational funds are in place before agreements are finalized.

Commissioner Ferran asked given the current economic situation, what was HAP looking in terms of Federal Tax Credits.

Mr. Mike Andrews replied that they are optimistic to receive \$.80 (eighty cents) on the dollar.

Commissioner Ferran asked if they had a contingency plan in case they did not receive those anticipated returns.

Mr. Andrews replied there is contingency funds already built into the project.

Commissioner Ferran asked how the retail aspect of the project would owned and operated.

Mr. Andrews replied that currently it is a limited partnership/limited liability that would be separate from the overall operational funds of the Resource Access Center. He said the retail space may be sold to business owners or just leased indefinitely.

Mr. Warner reminded the Commissioners their level of commitment for the project was \$28 million.

Commissioner Andrews expressed his appreciation for HAP for taking the initiation of the funding while the River District Appeal is in progress.

Chair Wilhoite asked if the units at the Grove Hotel were not built at the Resource Access Center, could they be built elsewhere.

Mr. Warner replied those units could be built in any affordable housing project the Portland Development Commission developed.

Chair Wilhoite expressed his concern regarding the Intergovernmental Agreement for operating expenses as he stated an IGA cannot commit future governments.

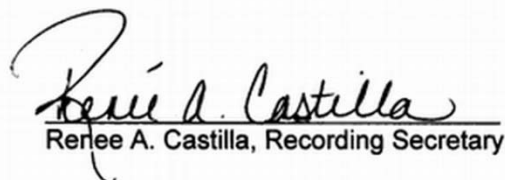
Ms. Doreen Binder, representing TPI, stated they do have some operating funds so they would not be starting completely from scratch.

VIII. ADJOURN

There being no further business, Chair Wilhoite adjourned the meeting at 10:17 a.m.

Respectfully submitted,

Approved by the Portland Development Commission on December 1, 2008.



Rere A. Castilla, Recording Secretary