



This document constitutes the official meeting record of the March 11, 2009, 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 3:05 p.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

The Commissioners recognized the birthday of Recording Secretary and Board Coordinator, Ms. Renee Castilla.

II. MEETING MINUTES

Chair Wilhoite called for a motion to approve the meeting minutes of January 29, 2009 and February 11, 2009 as submitted.

Ms. Renee Castilla stated the meeting minutes of January 29, 2009 had one minor correction: adjourn time should be 12:17 p.m. rather than 5:37 p.m.

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. 09-24. He highlighted the following:

- Mr. Warner acknowledged Commissioner Mohlis who represented PDC at the opening of the Patton Park Apartments on February 12. Commissioner Mohlis presented remarks along with City Commissioner Nick Fish, Dee Walsh of Reach Community Development, Metro Counselor Rex Burkholder, and Tri-Met Executive Director Fred Hanson. This is a new transit oriented development on the Interstate MAX line and the project is already full of new residents;
- Mr. Warner stated he was pleased to be asked to speak to the Latino Leadership Group on February 6 – my second year addressing this group. PDC is a supporter of this effort by the Hispanic Metropolitan Chamber of Commerce to grow, train and nurture current and future Latino leaders in our community. This year's class had about 25 participants including PDCers John Cardenas and Juan Carlos Ocaña-Chiu;

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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- On February 5th, Keith Witcosky and I met with state legislators (Jules Koppel-Bailey; Tobias Reed; Ginny Burdick and Nick Kahl) to discuss the positive benefits urban renewal has brought to our community. The trip also served as an opportunity to emphasize how PDC and our Board has reached out to taxing jurisdictions such as Multnomah County and Portland Public Schools to develop partnerships built around targeted tax increment investments. There is a lot of legislative activity related to urban renewal occurring in the 2009 session and PDC is working to negotiate positive outcomes to these bills;
- PDC has received an extremely favorable review from a labor relations specialist working for the federal Bureau of Housing and Urban Development (HUD). The auditor was at PDC to monitor our compliance with federal labor standards – better known as Davis-Bacon compliance. Staff prepared documentation on eight projects that “prevailed” – or were required to pay prevailing wages to the contractors and sub-contractors who worked on the projects. The HUD specialist reviewed five projects valued at \$44.4 million and he also spent time interviewing staff. HUD issued a report praising the neatness and thoroughness of PDC’s documentation. The letter went on to attribute the excellent performance to having systems and staff in place for thorough compliance monitoring and for encouraging staff attendance at HUD annual training sessions. I would like to thank staff members Gail Quail and Marsha Baker for all their efforts in working with the HUD auditor and for helping PDC obtain such a favorable audit;
- Cluster-Specific Trade Shows—several cluster-specific trade shows took place in February, with Business and Industry team members in attendance to collect business intelligence and develop leads for expansion and future investment. The MD & M West (Medical Device and Manufacturing) show in Anaheim, CA February 9-12 showcases new advances in materials, components, electronics, machinery, systems and services for the design and manufacture of every type of medical product. PDC walked the trade show and met with several companies, including one follow-up from a previous show which yielded the best opportunity for potential new business in Oregon. Staff also met with the Singapore trade representative to explore business opportunities between Oregon and Singapore. Given the economy, people were somewhat reluctant to think about expansion and the financial commitment necessary to make an expansion happen. With the credit markets all but frozen, manufacturing expansion in 2009 may be very slow in this region;
- The month ended with PV Expo 2009, the 2nd Annual International Photovoltaic Power Generation show, in Tokyo, Japan, February 25-27- In addition to promoting Portland’s competitive advantages for green-tech/solar businesses from all over the world attending the show, PDC staff planned to develop contacts to assist with an upcoming business development trip to Asia scheduled for early April and to be led by the Portland Business Alliance;
- RFQ Released for Lents—On Monday, February 9, PDC released a Request for Qualifications (RFQ) for 92H, the SE 92nd and Harold redevelopment project in the Lents Town Center Urban Renewal Area. The RFQ identified several key redevelopment goals for the project, including to: transform the Lents Town Center; create a showcase for transit-oriented development; provide community connections; advance sustainability; and celebrate the past and future of the diverse Lents community. Submittals are due to PDC on March 31, 2009. PDC staff will work with an eleven-member Selection Advisory Committee, comprised of developers, non-profit representatives, and Lents business owners and residents, to recommend a preferred development team(s); the final selection will be made in May/June 2009. Following development team selection, PDC staff will enter an approximately six-month master planning period, during which staff and the team will

explore programming, design, sustainability, and financing considerations before entering into a Disposition and Development Agreement in early 2010;

- Disparity Study—The Notice of Intent to Award (NOI) a contract to BBC Research and Consulting was sent out by the city on January 30, 2009. The NOI established a seven-day period for any written protests to be filed. Within that seven-day period, the city received two public records requests for the solicitation process documentation and a request to extend the protest period. The protest period was extended to February 20, 2009; and
- Mr. Warner highlighted the total workforce diversity from the South Waterfront Workforce Diversity Report:

Goal	Women	People of Color	Apprentice	Difference
11.0%	6.16%			[4.84%]
17.0%		23.53%		+6.53%
20.0%			24.79%	+4.79%

IV. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Mr. Alan Stubbs, PDC Employee and President of AFSCME Local read a letter into the record.

“My name is Alan Stubbs. I speak to you today as President of the local 3769. I am a 10-year employee here at PDC and also I am a concerned Portland citizen. Portland Development Commission has a minority voice in the sea of Portland Politics. I come to you this afternoon to speak about the past, present and future of this agency.

When the forefathers of this agency like Ira Keller, created this agency, it was with a keen sense of politics in this city that PDC was not to become a direct bureau of the City. This board, of which you have been chosen for, was created to be the cushion from the whims of political change in the mayor’s seat or the city commissioners. This separation has given PDC the autonomy to do the great work we have done for 50-years for the citizens of Portland. It has also made PDC the urban renewal agency that the world looks to.

Investing in Portland’s Future is more than a motto here at PDC. It is the heart and soul of this agency. I myself am a product of the investment the PDC’s housing department made in me. Twenty years ago when I was going to college and working part-time, PDC invested in me and sold me my home and financed it for me so that I could afford it on my limited income. Later on, PDC invested in me again by giving me a home repair loan to fix up my home so that it wasn’t the ugliest house on the block. The investment by PDC allowed me to grow personal wealth and helped me through hard times and good times. There are many stories like mine out in the community. A few years later, I became an employee at PDC to give back to my community and support others like PDC did for me.

I must say it has been an honor and a blessing to work here and be a part of this talented team and the great work this agency does. Every day the people of this agency touch lives directly or indirectly to make a better city for everyone. Today I am concerned for the health and longevity of this agency.

Your tenure on the board gives this agency a voice and a conscience on behalf of the citizens of Portland to make decisions that are in the best interest of the people of this great city not the political promises of elected officials. The staff of this agency has been on a 7-year roller coaster of political, legal, and personal attacks and significant changes in leadership. Leadership comes and goes, board members serve their terms and leave, but the staff are the ones who suffer through and keep this agency delivering projects and programs to the citizens of Portland. The decisions being made at city hall and by the leadership of this agency are affecting lives, projects and jobs in the city. It is said change is good and I

agree when there are careful considerations and exploration of the impacts. It is not OK when it paralyzes people.

The decision by the mayor and the support from PDC leadership and this board to lie down and let the mayor rip the heart out of our agency by removing the housing department is a travesty. Alternatives need to be examined to see if there is a better way to solve issues related to delivery of housing in the city. This process needs to be slowed down. The City of Portland does not have a good track record for executing these types of organizational changes and I do not believe that they fully understand the impact this decision has on operations, staff and delivery of projects moving forward at PDC. Not to mention the cost to the citizens of Portland that will pay the bill for this costly move in a time when the mayor is asking all the bureaus to cut their budgets and reduce vital services that will impact the livability of our city. This money could better be spent assisting Portland business owners in this time of crisis. Creation of the Housing Bureau is all about control of PDC dollars. It is not about efficiency in delivering services as it is being touted.

I would like to ask each of you to consider the following:

- 1. Is the decision to remove the housing department from PDC in the best interest of all citizens of Portland? If so, then articulate how it is in the best interest beyond creating "two powerhouse agencies."*
- 2. Is the cost of this prudent at this time given the current economic situation and will the true cost be disclosed to the public?*
- 3. Is the effectiveness of the housing department really an issue? Years ago it was considered to have BHCD be folded into PDC. Could this not still be an option?*
- 4. The move to the Housing Bureau could potentially lead to more staff unrest and turnover which will impact the delivery of projects to the city. PDC has suffered greatly because of turnover of staff and as we move forward the loss of institutional knowledge within housing is immeasurable.*
- 5. Would you consider meeting with staff directly to get further feedback about concerns around the housing transition?*

My fear is that further inaction or silence by the board could be the beginning of the end for the Portland Development Commission as we know it. Historically, the PDC board has always gone to great length to ask tough questions of staff and stakeholders whether the decisions on projects are in the best interest of the agency and the city. I believe that respective to the proposed transfer that the board should be no less diligent in its stewardship of the agency. We all understand that you serve at the behest of the Mayor, but your role requires that you serve what is in the best interest of the city. The future of the Portland Development Commission lies in your hands. You are at the crossroads of defining the next 50-years of this agency, I ask that you not be silent because if you do, you may be moving to the future crippling of PDC.

Thank you."

Chair Wilhoite stated there is a lot of analysis occurring, and noted that while everyone is not party to the conversations, there are a lot questions being asked. He has had meetings with Commissioner Fish, Commissioner Leonard, Commissioner Fritz and Mayor Adams. He also has a meeting scheduled with Commissioner Saltzman. He stated the concerns of Mr. Stubbs and PDC staff are shared with the Board. He said the Board wants to make sure the staff of PDC have rewarding positions and are doing rewarding work on the behalf of the City of Portland. He acknowledged that Housing has played a critical role in what PDC has been able to accomplish over the past fifty years. The Transition team is still in progress and will be presenting something shortly. He has told people the team is still gathering information and performing analysis and until that information is released, they do not have the answers they need to make an informed decision. Further, it is important for the housing staff to remember they perform valuable work whether they are at PDC or the new Housing Bureau. He also said the Board does not like disrupting anyone's life, and he hopes staff believes that. He will look for the analysis when it is complete and go from there. He apologized he didn't have more information for PDC staff or ACSFME at this time. He also thanked staff for appearing at the

meeting and getting excited about Mr. Stubbs's comments because it makes his efforts worthwhile.

Commissioner Andrews stated one question the Board has been asking is "Is there efficiency to this decision?" and that question has not been answered because everyone is still waiting to see the analysis. The second question is related to control, because the PDC Board is ultimately responsible for how Tax Increment Financing (TIF) dollars are spent, and that question has not been answered either. He said he has been hoping for a clear picture in order to understand the process. He thanked staff and Mr. Stubbs for the "heads-up" regarding PDC staff's concerns.

Commissioner Ferran stated the Board has been having meetings with the City Commissioners and others and asking the tough questions but so far they have not received any answers. She stated as a housing advocate, she wants to make sure the accomplishments that have occurred at PDC continue to occur, whether Housing remains at PDC or moves to a new Housing Bureau. However, she reiterated they are still waiting for the analysis to come back to determine how to move forward. She acknowledged the staff turnout and thanked them for appearing before the Board.

Commissioner Mohlis expressed his thanks to Mr. Stubbs for sharing his remarks as well as on the behalf of others. He said he has not seen enough analysis to determine what makes sense and what doesn't. He is hopeful all will step back and take a long look at the analysis to determine the efficiencies, whether housing remains at PDC or moves. He said as he has met with City Officials and continues to remind them that the lives of those affected are very important and that needs to be a consideration in whatever decision is made.

Executive Director Bruce Warner expressed his thanks to Mr. Stubbs for his comments. He further stated he wished he had more answers for him and PDC staff. He stated on March 19, 2009 a report is due to the City Council and he is hopeful it would contain more answers. He also stated he would make sure the Board sees the same report and see those things agreed upon that make sense as well as those areas that need agreement but require further analysis. He also stated staff should watch the budget process which will be occurring during the month of March as well. He said during the budget process, some of the answers regarding efficiencies should be made clearer. He reiterated his staff is doing further analysis as well and he is hopeful he can present it to the Board soon. He reiterated Commissioner Mohlis' comments that it is the job of the Executive Team and the Board to make sure PDC staff is treated fairly and appropriately throughout the process. He also reminded the Board they will have the opportunity to vote Yes or No before the end of the fiscal year.

Mr. Alan Stubbs stated a concern of PDC staff is whether the Board will make an official blessing of this action in the future. He also stated decisions are being made in what is called the "Discovery Phase". He is concerned that the right people are not at the table. He said it is the staff that executes the projects; however they are not represented at the discussions. He also asked the Board if they would be willing to meet with PDC staff in order to hear their concerns.

Chair Wilhoite responded the Board would be willing to meeting with staff and directed the Board Coordinator, Ms. Renee Castilla to get those times set-up.

Chair Wilhoite moved to the consent agenda.

V. CONSENT AGENDA

Commissioner Wilhoite called for a motion to adopt the Consent Agenda:

Resolution No. 6678, titled, "Authorizing a Land Lease Agreement with New Cingular Wireless, PCS, LLC for the Co-Location of Cellular Communication Facilities at the Burnside Bridgehead Site in the Central Eastside Urban Renewal Area."

Resolution No. 6679, titled, "Authorizing Extension of Construction Commencement Date to September 15, 2010, with Lents Town Center II, LLC For Phase II of Project in Lents Town Center Urban Renewal Area."

Resolution No. 6680, titled, "Appoint Mr. Keith North to the North Macadam Urban Renewal Advisory Committee."

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

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

VI. REPORT ON MAJOR LEAGUE SOCCER AND AAA BASEBALL PROPOSAL

Mr. Keith Witcosky representing PDC, Mr. Skip Newberry and Mr. David Logsdon representing the City of Portland stated a presentation was made to the City Council and in fact they are still deliberating as they speak.

Mr. Newberry stated Shortstop LLC has indicated that it is willing to pay the \$40 million franchise fee to bring a Major League Soccer (MLS) team to Portland. MLS typically requires its games be played in soccer-specific stadiums. He said Shortstop LLC's proposal includes an extensive remodeling of PGE Park to meet MLS stadium requirements. The preliminary cost estimate developed by Shortstop LLC for this renovation is \$40 million. The remodel would include permanent seating along the east side of the field necessitating the relocation of the baseball team. Shortstop has assumed that it would be less costly to modify PGE Park for soccer and construct a new minor league baseball stadium than to leave baseball at PGE Park and develop a soccer-specific stadium for the MLS team elsewhere.

He said in addition, Shortstop believes that a baseball park smaller than PGE Park would be more appropriate for the Beavers and their fans. The proposal would also require the construction of a new Triple-A baseball stadium seating 8,000 to 9,000 and the preliminary cost estimate provided by Shortstop is \$40 to \$45 million. The initial site for the baseball park forwarded by Shortstop was the existing baseball facility, Walker Stadium, located in Lents Park in Southeast Portland. Shortstop's proposal seeks public financing for the estimated \$85 million in facility costs.

Mr. Logsdon stated the MLS League should be making their decision by the end of March whether Portland is successful in gaining a MLS team.

Mr. Witcosky stated further information would be available once the City Council made their decision how best to move forward.

VII. AUTHORIZE EXECUTIVE DIRECTOR TO AMEND EXISTING LOAN TO CENTRAL CITY CONCERN, AND TO APPROVE ADDITIONAL TAX INCREMENT FINANCING FUNDING OF UP TO \$1.6 MILLION

Mr. Dan Williams presented Report No. 09-29, titled, "Revisions to Existing Loan and Approval of New Loan to Central City Concern for the Rose Quarter Housing Project."

Mr. Williams stated the action would authorize the Executive Director to approve amendments to previously funded PDC loan #38394-04, including a revised collateral structure, dividing the loan in two pieces and changing the borrower to Central City Concern, enabling PDC to be in compliance with New Market Tax Credit Regulations which are a vital financing piece for the success of this project. Also authorizes the executive director to approve a rehabilitation loan converting to a grant of up to \$1,600,000 to Central City Concern or a related entity.

Mr. Williams further stated the last PDC Central City Housing Inventory dated 2002 documented a need for rental housing below the 50% MFI threshold and in fact identified less than 1% of total Lloyd District rental units are within the 0-50% MFI range. The Rose Quarter rents will be approximately \$375-\$475 or 50% MFI. Workforce Housing/Access to Central City Jobs: Project rents will be affordable to residents working full time earning wages between \$7.21 and \$8.65 per hour which is equivalent to average retail, service, or hotel sector wages. The project's location has excellent pedestrian access to public transit both rail and bus offering the project as a desirable Lloyd District workforce housing site. Area Revitalization: The subject property is greatly underutilized and is not currently viable for other uses. This redevelopment project will combine a 24-hour use with day time employment services, thereby contributing to the viability of the area.

Mr. Shawn Hubert stated the project will have 176 units income restricted at 50% MFI or below. He said 80 units will be for chronically homeless at or below 30% MFI. In addition, the ground floor commercial will serve as a sober support agency with employment focus.

Mr. Philip Dochow representing the Housing Development Center stated they started with a moderate rehabilitation, preserving the existing hotel like room. However, it was determined the population needed studio apartments which involved a more major upgrade. In addition, the detoxification facility on the ground floor required a full build out of the ground floor. He said they currently have financial commitments \$12 million in private equity, \$7 million in low income housing credits and \$3 million in new market tax credits.

Commissioner Mohlis asked if they had a high degree of confidence in their construction estimates.

Mr. Philip Dochow stated they contracted with Howard S. Wright to provide construction estimates as well as a third party cost estimator. He said the estimates were less than 1% difference. In addition, they have just put the project out to bid so they should have additional information soon.

Mr. Shawn Hubert stated it was important they close the deal by March 31, 2009 because their lender, US Bank, has guaranteed to hold their New Market Tax Credit price through March 31, 2009 at 82 cents.

Chair Wilhoite stated the project is shovel ready with favorable economic circumstances; however, asked Executive Director Bruce Warner to follow up with discussions occurring with another party about the potential of purchasing the property from the Housing Development Center.

Mr. Warner stated PDC is committed to the project; however, he would do the necessary follow-ups and discussions quickly in order to not jeopardize the project closing.

Chair Wilhoite called for a motion to adopt Resolution No. 6682, titled, "Approving Amendments to Existing PDC Loan #38394-04 to Central City Concern for the Rose Quarter Housing Project Including a Revised Collateral Structure, and an Additional Loan Converting to a Grant at Maturity of Up to \$1,600,000."

Commissioner Andrews moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6682.

AYES: Wilhoite, Andrews, Ferran, Mohlis

NAYS: None

VIII. AUTHORIZE AN INTERGOVERNMENTAL AGREEMENT BETWEEN PDC AND PDOT FOR THE CONSTRUCTION PHASE; DEDICATION OF RIGHT-OF-WAY; AND CONVEYANCE OF SLOPE AND TEMPORARY CONSTRUCTION EASEMENTS FOR THE EASTSIDE BURNSIDE-COUCH COUPLET PROJECT

Ms. Trang Lam presented Report No. 09-28, titled, "Intergovernmental Agreement with the Portland Bureau of Transportation for the Eastside Burnside-Couch Couplet Project."

Ms. Lam stated the action would authorize the Executive Director to enter into an Intergovernmental Agreement (IGA) with the Portland Bureau of Transportation (PBOT), in the amount of \$4,940,748, of which \$3,940,748 is budgeted in the Central Eastside Urban Renewal Area (URA) fiscal year (FY) 2009-10 Proposed Budget and \$1,000,000 is proposed in the FY 2010-11 Forecasted Budget. She said the action would also authorize the Portland Development Commission (PDC) Board of Commissioners (Board) to dedicate right-of-way to the City of Portland (the City) for the NE Couch Street alignment onto the Burnside Bridge; and to convey a Slope Easement and a Temporary Construction Easement to the City for the construction of the Eastside Burnside-Couch Couplet (Eastside Couplet) project. Funding commitments in the FY 2009-10 Proposed Budget and FY 2010-11 Forecasted Budget are subject to final budget appropriation.

Ms. Lam further stated the action would authorize the Executive Director to enter into an Intergovernmental Agreement (IGA) with the Portland Bureau of Transportation (PBOT), in the amount of \$4,940,748, of which \$3,940,748 is budgeted in the Central Eastside Urban Renewal Area (URA) fiscal year (FY) 2009-10 Proposed Budget and \$1,000,000 is proposed in the FY 2010-11 Forecasted Budget. She said the action would also authorize the Portland Development Commission (PDC) Board of Commissioners (Board) to dedicate right-of-way to the City of Portland (the City) for the NE Couch Street alignment onto the Burnside Bridge; and to convey a Slope Easement and a Temporary Construction Easement to the City for the construction of the Eastside Burnside-Couch Couplet (Eastside Couplet) project. Funding commitments in the FY 2009-10 Proposed Budget and FY 2010-11 Forecasted Budget are subject to final budget appropriation.

Chair Wilhoite called for a motion to adopt Resolution No. 6681, titled, "Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for the Eastside Burnside-Couch Couplet Project (Construction Phase) in the Central Eastside Urban Renewal Area; Authorizing Dedication of Right-of-Way and Conveyance of a Slope Easement and a Temporary Construction Easement to the City of Portland at the Burnside Bridgehead Site, Block 76 Concerning the Same."

Commissioner Ferran moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6681.

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

Mr. Keith Witcosky stated to the Commissioners the City of Portland City Council had voted on the major league soccer and AAA baseball proposal, 3-2, with the caveat Tax Increment Financing could not be used for the redesign of PGE Park.

IX. ECONOMIC STIMULUS PROGRAM GUIDELINES INTERIM EXPANSION FOR SMALL BUSINESSES

Ms. Erin Flynn and Mr. Fred Atiemo presented Report No. 09-30, titled, "Adopt Revised Business Finance Program Guidelines."

Ms. Erin Flynn stated the action would approve revised guidelines for Business Finance Program products and the Storefront Improvement Program to improve the Portland Development Commission's (PDC's) ability to effectively support local businesses that have become cash constrained due to the economic downturn, as well as to successfully assist property and business owners with façade improvements. She said under current economic and financial conditions the amounts banks are willing to loan have been greatly reduced, creating a larger gap than in previous economic times. In some cases, banks are not making loans. Modifying program guidelines will enable PDC to better achieve our economic development goals by applying the right financial tools. The action would also eliminate and consolidate existing programs.

1. Business Finance Program:

- Quality Jobs Program (Loan)
- Economic Opportunity Fund (Grant)
- Direct Tax Increment Fund (Loan)
- Business Assistance Loan Fund (Loan)
- Economic Development Administration RLF (Loan)
- Near Equity Fund (Loan)
- Technical Assistance Grant Program (Grant)

2. Storefront Improvement Program (Grant)

Ms. Flynn stated revising the programs and guidelines would better meet the needs of small businesses during these difficult economic times, and leverage public resources to help retain and create new jobs.

Ms. Flynn stated results through Fiscal Years 05/06 through 08/09 demonstrate the successfulness of the programs:

- Total loans made: **\$32.8 million**
- Private dollars attracted: **\$270 million**
- Number of businesses assisted: **181**
- Target Industries: **55%**; All others: **45%**
- Percentage of loans to small businesses: **86%**
- Number of jobs projected: **6,380**
- Customer Satisfaction with Staff Service: **95%**

Ms. Flynn further stated actions taken to date to assist the citizens of Portland have been to:

- Modified the Business Finance tools
- Increased business outreach
- Ads in various newspapers
- Actively seeking for alternative funding sources

Mr. Fred Atiemo said highlights of the program guideline changes include:

- Owner occupancy requirement changed from 75% to 50%; one Loan Fund open to small-scale Developers
- Dollar-to-Job ratio has been changed from \$25k to \$50k per Job
- Leverage ratio has been changed from 1:4 to 1:0 on most Loan Funds
- Some Loan Funds have reduced interest rate and waived loan fees
- The Storefront Grant Program has the maximum grant up from 50% to 75% with \$20k ceiling

Chair Wilhoite called for a motion to adopt Resolution No. 6683, titled, "Establishing Updated Financial Assistance Guidelines for the Business Finance Program and Storefront Improvement Program."

Commissioner Andrews moved and Commissioner Mohlis seconded the motion to adopt Resolution No. 6683.

AYES: Wilhoite, Andrews, Ferran, Mohlis

NAYS: None

X. FISCAL YEAR 2008-09 SUPPLEMENTAL BUDGET (BUDGET AMENDMENT #2)

Mr. Tony Barnes presented Report No. 09-31, titled, "Budget Amendment No. 2 for Fiscal Year beginning July 1, 2008 and ending June 30, 2009; and making appropriations."

Mr. Barnes stated the action would formally amend the current fiscal year (FY) 2008-09 Adopted Budget for the second time this year, in the following ways,

- (1) Recognizes actual FY 2008-09 beginning fund balances for each PDC fund.
- (2) Adjusts budget appropriations in each urban renewal fund according to updated forecasts for project and program spending.
- (3) Adds authorized funding for legal and communications items.
- (4) Reallocates administrative overhead according to changes in planned projects and programs.
- (5) Balances each fund by adjusting required tax increment debt proceeds according to changes in beginning balances and estimates for project and program spending.

He stated in sum, FY 2008-09 Budget Amendment No. 2 decreases the total PDC budget from \$314,899,268 in the FY 2008-09 Revised Budget to \$299,565,859 including Transfers, Contingency and Reserves. Excluding Transfers, Contingency and Reserves total budgeted expenditures are decreased from \$270,732,858 to \$222,820,820.

Chair Wilhoite called for a motion to adopt Resolution No. 6684, titled, "Approving Budget Amendment No. 2 for the Fiscal Year Beginning July 1, 2008 and Ending June 30, 2009; and Making Appropriations."

Commissioner Mohlis moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6684.

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

XI. WILLAMETTE RIVER LIGHT RAIL BRIDGE UPDATE

Mr. Patrick Quinton presented Report No. 09-32, titled, "Briefing on Portland Milwaukie Light Rail Transit – Willamette Bridge Selection Process."

Mr. Quinton stated in July 2008, the Metro Council adopted a new Locally Preferred Alternative (LPA) for the Portland-Milwaukie light rail transit (LRT). As part of the LPA process, the Willamette River Bridge Advisory Committee (WRBAC) has evaluated alternatives for a transit bridge crossing the Willamette River from South Waterfront, in the North Macadam Urban Renewal Area (URA), to the Oregon Museum of Science and Industry (OMSI), in the Central Eastside URA.

Mr. Rob Bernard representing TriMet stated the vision of the various partners was to deliver a bridge that embodies the Portland aesthetic, is functional and affordable, and has viable solutions that balance all three:

- Cost – the right bridge for the budget;
- Function – the right bridge for the use, site and environment;
- Aesthetic – the right bridge for the context.

In addition, he said evaluation criteria for the desired bridge included:

- Cost;
- Risk;
- Fundamental Performance;
- Architecture;
- Urban Context;
- Greenway;
- Environmental;
- Bridge Operations;
- Opportunities;
- Miscellaneous.

Mr. Bernard also stated the evaluation committee looked at various bridge types including: Wave Frame; Tied Arch; Through Arch; Cable Stayed – 4, and Cable Stayed – 2. They performed additional work as well such as evaluated structural performance of options; defined construction sequence; created computer models; analyzed for service loads; and analyzed for seismic loads. When the committee evaluated cost, they worked to verify estimates and material availability. They reviewed historical steel price trends as well as schedule implications of steel fabrication.

The Cost Analysis is demonstrated below:

	Cable Stayed 4 Pier	Cable Stayed 2 Pier	Wave Frame Girder
	700' Clear	760' Clear	600' Clear
	TriMet	TriMet	TriMet
Conceptual Design Estimate			
Construction Costs	\$61,200,000	\$64,800,000	\$102,100,000
Design Build Contractor Engineering	\$8,230,000	\$9,105,000	\$13,820,000
Contingencies	\$13,230,000	\$17,455,000	\$23,000,000
Differential Costs (Certain)	\$0	\$0	\$5,870,000
Grand Total (January 2009)	\$82,660,000	\$91,360,000	\$144,790,000

Grand Total (YOE August 2013)	\$101,920,000	\$112,910,000	\$175,920,000
Variance Cable Stayed to Wave	(\$74,000,000)	(\$63,010,000)	

The Committee determined it was best to remove the wave frame bridge from further consideration and advance the cable stayed bridge into preliminary engineering. It was also determined that a variance of hybrid of the cable stayed bridge should be evaluated during the preliminary engineering process.

Mr. Bernard stated next steps include:

- Spring 2009: Entry into Preliminary Engineering;
- 2009-2010: WRBAC advises staff on bridge design (width, height and tower configuration);
- Spring 2010: Preliminary Engineering complete.

He stated the projected timeline for the project is:

- Preliminary Engineering.....March 2009-10;
- Final Design.....2010-11;
- Full Funding Grant Agreement.....2011-12;
- Construction.....2011-15;
- Service begins.....2015.

XII. EXECUTIVE SESSION

Chair Wilhoite announced that the Portland Development Commission would meet in Executive Session for the purpose of consulting with staff to consider information or records that are exempt by law from public inspection.

The Executive Session is held pursuant to ORS 192.660(2)(f), which allows the Commission to meet in Executive Session to consult with PDC staff to consider information or records that are exempt by law from public inspection.

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 Wilhoite reminded the media that they may not disclose any information discussed during the executive session.

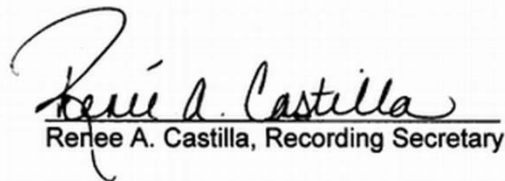
He further stated no decision may be made in executive session. At the end of the executive session, PDC will return to open session and welcome the audience back into the room.

XIII. ADJOURN

There being no further business, Chair Wilhoite adjourned the meeting at 5:32 p.m.

Respectfully submitted,

Approved by the Portland Development Commission on March 25, 2009.



Rere A. Castilla, Recording Secretary