

*Investing in
Portland's Future*



This document constitutes the official meeting record of the August 12, 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 Scott Andrews called the meeting to order at approximately 3:04 p.m.

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

J. Scott Andrews
Commission Chair

Chair Scott Andrews	PRESENT
Commissioner Bertha Ferran	PRESENT
Commissioner John Mohlis	ABSENT
Commissioner Steven Straus	PRESENT
Commissioner Charles Wilhoite	PRESENT

Bertha Ferrán
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Chair Andrews expressed his thanks to PDC board members and staff for an easy transition to the Chair position. He said he has been attending City Council visits with Executive Director Bruce Warner which helped as well. Chair Andrews stated he recently returned from a trip to Chicago with Mayor Adams. He said it was good to see the Mayor do what he can to bring and keep businesses in Portland.

II. EXECUTIVE DIRECTORS REPORT

Sam Adams
Mayor

Mr. Bruce Warner presented Report No. 09-89, titled, "Executive Director's Report." He highlighted the following:

Bruce A. Warner
Executive Director

- Sage Hospitality's new Marriott Courtyard project located at SW 6th and Oak achieved LEED Gold certification. Sage's Nines Hotel project atop the downtown Macy's has been awarded LEED Silver certification. Sage had not sought LEED certification on any of its properties prior to working with PDC – but now the company has embraced the process. The Nines and Marriott Courtyard downtown are the first LEED certified hotels in Portland and both Sage and Travel Portland are marketing the green hotels to groups and individuals who seek out environmentally-friendly properties.
- On a related note, we have learned that the assessed value of the former Meier & Frank building has greatly increased following renovation. The Real Market Value in 2005 (prior to renovation) was \$15 million. In 2008 the rehab began and the building was split by two projects; the Macy's department store and the Nines Hotel project. Macy's Real Market Value grew from \$7 million in 2006 to \$45 million in 2008. The Nines grew from \$9.5 million to \$10 million in 2008. It's important to note that the hotel opened in October 2008 and has not yet been on the tax rolls for a full year so its assessed value will not be adjusted until later this year. As of late 2008, the two properties together went from \$15 million in assessed value to \$55 million. Renovation has made this building a much more significant contributor to the city tax rolls. The project also brought 371 new jobs at The Nines and retained 90 jobs at Macy's.



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- Promoting Portland, Here and Away - Site visits and meetings related to several key recruitment projects took place in July. PDC is working collaboratively with Oregon Business Development Department (OBDD) and regional partners on active expansion and/or relocation projects in warehouse /distribution, solar manufacturing and food processing. Outside the city, PDC staff attended two important industry shows in July. The Intersolar North America trade show and conference for the global solar industry, held in San Francisco July 14-16, featured 444 exhibitors across 120,000 net square feet and a combined 17,000 trade visitors; the Open Source convention in San Jose July 20-24 is an event with deep Portland roots and continuing opportunities for regional business development here.
- Rose Quarter Redevelopment - An application for the Rose Quarter Stakeholder Advisory Committee (SAC) went "live" on the Mayor's website (www.portlandonline.com/mayor) on Wednesday, July 15th. Interested citizens are urged to apply for the 20-member committee to be chaired by Mayor Adams. Committee members will be selected by the Mayor and will be advisory to the Portland City Council on the Rose Quarter redevelopment project, which will include a process to determine the future of Memorial Coliseum. Starting this fall, the committee will develop criteria for evaluating ideas and proposals for the renovation or adaptive reuse of the Coliseum. The committee will begin reviewing those ideas in late fall and submit its top recommendations to City Council in spring 2010. By fall 2010, the SAC will provide feedback on development plans for the Rose Quarter area.
- East Burnside-Couch Couplet Contractor Introduced - An open house to introduce Nutter Corporation of Vancouver, WA as the contractor for the East Burnside-Couch couplet project took place on July 22 at the Jupiter Hotel. Portland Bureau of Transportation sponsored the event, which drew more than 50 people for a question/answer session with PBOT and Nutter staff members. A groundbreaking event on August 12 with Mayor Adams as keynote speaker will mark the beginning of construction. PDC continues to work closely with PBOT through this construction phase. In the next few weeks, Nutter and PBOT will be working to develop a construction schedule, which will be shared with PDC and other stakeholders. Nutter Corporation is working with PDC to lease a portion of the PDC-owned Burnside Bridgehead site for construction staging.
- City Club Features Ec. Dev. Strategy - Erin Flynn was the featured speaker at the Portland City Club Friday Forum on July 24. Erin presented the economic development strategy/five-year plan and fielded questions from the audience, which ranged from the role of K-12 education to the challenges of integrating the strategic work with that of multiple private and public organizations. Overall response was positive and Erin found herself surrounded afterwards by City Club members interested in further engagement on the issues and opportunities presented in the plan.
- Sacred Heart Villa - Housing staff closed on \$3.5 million in financing to fund the acquisition of Sacred Heart Villa located at 3911 SE Milwaukie Avenue. HOME funds were used for this existing four year old, 68-unit senior mixed-used rental project. In addition to 68 units of senior housing, the project contains 3,000 square feet of first floor commercial space which houses a Providence physical therapy office and a Loaves and Fishes kitchen and dining room. The project rents are restricted at 60 percent median family income (MFI) and include 12 units designated as Permanent Supportive Housing which will receive rental assistance with Section 8 vouchers.

- Eastgate Station - Housing staff closed on \$1.2 million in funding to construct 61 units of affordable rental housing known as Eastgate Station Apartments. A combination of HOME (\$938,200) and Housing Investment Fund (\$1.0 mill.) dollars were used on the project. Eastgate Station (NE 120th and Burnside) will provide affordable rental housing opportunities for special-needs individuals and families with income restrictions between 30 percent and 60 percent of MFI. The primary target population is family housing with ten permanent supportive housing units targeting homeless families.
- Community Services Incorporated - Housing staff closed on a \$215,000 grant to Community Services Incorporated for the acquisition of a single family home at 55 NE 148th Ave. to be used as a group home for developmentally disabled adults. Community Services Incorporated (CSI), an Oregon nonprofit mental health provider, was awarded funding through the fall 2008 Affordable Rental Housing/Permanent Supportive Housing Requests for Proposals process. The 1955 home has seven bedrooms and two baths that will be rehabilitated in order to serve four cognitively-impaired, developmentally-disabled adults who will receive twenty-four hour care by CSI staff. The home will be fully wheelchair accessible.
- Roselyn Villa - PDC housing staff worked collaboratively with the Portland Housing Bureau to close \$830,000 in Community Development Block Grant Section 108 financing for Northwest Housing Alternatives to fund the rehabilitation of Roselyn Villa, a multifamily residential building consisting of 30 studio units of affordable housing and one unrestricted manager's unit. Seven of these units will be Permanent Supportive Housing units that will be phased into the project as units are vacated and become available. This funding helps preserve an expiring Section 8 project serving a vulnerable population. Project is located at 424 NW 21st Avenue.

III. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

As there were no public comments for items not on the agenda, Chair Andrews moved to the consent agenda.

IV. CONSENT AGENDA

Chair Andrews called for a motion to adopt the consent agenda:

Resolution No. 6725, titled, "Appoint Ms. Sara Zahn to the Gateway Regional Center Urban Renewal Advisory Committee."

Resolution No. 6726, titled, "Appoint Member and Alternate Member to the Interstate Corridor Urban Renewal Advisory Committee."

Commissioner Wilhoite moved and Commissioner Ferran seconded the motion to adopt Resolution Nos. 6725 and 6726.

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

IV. APPROVAL OF HOUSING DEPARTMENT CO-LOCATION INTER-AGENCY AGREEMENT WITH THE PORTLAND HOUSING BUREAU

Ms. Shelly Haack presented Report No. 09-92, titled, "Approval of Housing Department Co-location Inter-Agency Agreement with the Portland Housing Bureau."

Ms. Haack stated the action would approve an IGA with the PHB providing for coordination of PDC's and PHB's housing activities and co-location of PDC and PHB housing staff at PHB's offices, in anticipation of consolidation of PDC's and PHB's housing activities at PHB at the end of the current fiscal year. Under the terms of the IGA, PDC will move PDC housing staff to the Portland Housing Bureau's offices in the Commonwealth Building. PDC will also appoint the PHB Director (or designee) to the PDC Investment Committee, with authority to vote on housing matters, and, consistent with authority granted by this Resolution, appoint the PHB Director (or designee) to the PDC Loan Review Committee, with authority to vote on housing matters. The IGA also contemplates PHB involvement in other PDC discussions and internal processes involving development or major revision of PDC housing programs and policies.

Ms. Haack further stated PDC and City staff will work over the next few months to develop a comprehensive work plan to complete the full transition of PDC housing functions to PHB. When all issues are resolved, staff will return to the Board with one or more additional IGAs to complete the full transfer of housing functions from PDC to PHB. In addition, she stated the IGA calls for the payment of an amount not to exceed \$863,879 by PDC to PHB as outlined below. In addition, PDC anticipates incurring additional IT and transition costs of approximately \$324,500 to support work contemplated by the IGA.

Ms. Margaret VanVliet, Portland Housing Bureau Director, expressed her thanks to the Board and PDC staff for their welcome. She said she was excited to be leading the efforts to consolidate the city's housing efforts. She said she worked for Oregon Solutions in the Hatfield School of Government at PSU, from 2000-2008, she served as Deputy Executive Director at the Housing Authority of Portland, and from 2006 oversaw all operations and an annual budget of more than \$90 million. In addition, she said she began her career with First Interstate Bank of Oregon's Corporate Banking Group. With her previous experience she said she brings a unique mix of skills to the Housing Bureau, Real Estate, Banking, Housing and Education.

The Commissioners each welcomed Ms. VanVliet to the Portland Housing Bureau and said they look forward to working with her.

Chair Wilhoite said the IGA appoints Ms. VanVliet to the PDC Loan Committee and PDC Investment Committee. He asked if it was the expectation Ms. VanVliet would only vote on housing related projects.

Ms. Haack replied the language in the IGA limits Ms. VanVliet's voting authority to housing items only.

Chair Andrews called for a motion to adopt Resolution No. 6727, titled, "Authorizing Intergovernmental Agreement between the Portland Development Commission and the City of Portland for Housing Coordination and Transition."

Commissioner Wilhoite moved and Commissioner Ferran seconded the motion to adopt Resolution No. 6727.

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

V. SOUTH WATERFRONT NORTH DISTRICT PARTNERSHIP AND STREET PLAN AMENDMENT BRIEFING

Ms. Geraldene Moyle presented Report No. 09-93, titled, "South Waterfront North District and Street Plan Amendment."

Ms. Moyle stated the North District of South Waterfront is generally the underdeveloped land area bound by the Marquam Bridge, the Willamette River, Gibbs Street, and I-5. Within this area, the Oregon Health & Science University (OHSU) is currently completing master planning efforts for its Schnitzer campus, and the remaining property owners in the North District, ZRZ and GHS LLC (3030 SW Moody), have initiated or will shortly, master planning efforts for their respective properties. The final recommendation of the South Corridor: Portland to Milwaukie Light Rail Willamette River Crossing Partnership (WRCP) anticipated that the finished development elevation of the North District of South Waterfront could be increased throughout the planned OHSU North District campus, along the Light Rail Transit (LRT) alignment and portions of adjacent properties. The increase in elevation has impacts to public infrastructure needs within each project area, and also within transition areas adjacent to adjoining properties and the remainder of the district

North District Partnership Approach

As contemplated by the WRCP, and as a next step in moving plans for the North District forward, the City of Portland (City) invited property owners in the North District and relevant city and regional agencies with a vested interest in the North District, the ND Partnership, to discuss and resolve a range of issues that arise from current, or future, master planning efforts and the WRCP's recommendations.

ND Partnership participants included City Bureau Directors (PDC, Portland Bureau of Transportation, Bureau of Planning & Sustainability, Bureau of Environmental Services, Portland Parks & Recreation, and Bureau of Development Services), North District property owners (OHSU, ZRZ, and GHS), TriMet, and Portland Streetcar Inc.

The series of ND Partnership meetings began in November 2008 and concluded in April 2009. A total of five partnership meetings were held, along with a multi-day design workshop mid-way through the process. The meetings focused on reviewing future and existing plans and resolving issues related to the phasing of development, required infrastructure and parks improvements, transitions between parcels and proposed uses, and coordinated permitting approaches. More specifically, those issues involved determining:

- The final location and cross-section of north/south and east/west streets;
- Proposed finished grade of streets;
- Phasing of infrastructure construction;
- Park and open space needs;
- Conformance of proposed improvements with Title 33 of the Portland Zoning Code and other South Waterfront development requirements and criteria; and
- Cost-sharing of infrastructure build-out, including the proposed grade change of North District infrastructure.

ND Partnership Outcomes

Areas of Consensus: The ND Partnership was able to reach a consensus on several issues related to the street system plan and project phasing and funding:

- Street System Plan: The ND Partnership created an overall street plan for the district that will serve as the foundation of the Transportation System Plan Amendments. The

ND Partnership also agreed that the elevation for the LRT alignment on Porter Avenue will be raised to a level consistent with the WRCP findings;

- Street System Phasing & Phase I Funding: The ND Partnership reviewed a funding matrix proposed by the City. The ND Partnership agreed that implementation of the entire street network is not possible due to funding limitations on both the public and private side. Phasing in the district was divided into Phase 1A, Phase 1B, and Phase 2. The ND Partnership agreed that funding for Phase 1A needs to be pursued in the near term to address the improvements to Moody (North) Avenue, Porter Street, and the Streetcar. The City, PDC, and others will support securing the state, federal, and local funds to complete the necessary improvements. Should the City be unsuccessful in securing the proposed federal and state funds, the ND Partnership, or a sub-set of the group, will need to reconvene to discuss other funding options.

Areas Where Consensus Was Not Achieved: The ND Partnership was unable to reach a consensus on the following:

- North District active-use park: Location, size, and cost-responsibilities for the North District active-use park. Previous plans have shown this park under the Ross Island Bridge. As such, the plans included as context for the Street Plan Amendment continue to show a park in this location;
- Guiding Principles: Some ND Partnership members did not support this document that led to the City's development of the proposed funding matrix; and
- Street System Funding Phase 1B and 2: Phase 1B and 2 will need to be discussed at a later date as the property owners move closer to development.

Mr. Art Pearce, Portland Bureau of Transportation, presented the Street Plan Update. He said through the ND Partnership discussions, changes to the existing street plan as outlined in the *South Waterfront District Street Plan, Criteria and Standards* (updated October 2007) are now proposed. In addition to laying out the conceptual street plan, this document also identifies right-of-way widths, street classifications, standard street cross sections, street trees and landscapes, street tree locations, street lighting, and public right-of-way performance criteria and standards.

Following are the major changes proposed to the *South Waterfront District Street Plan, Criteria and Standards* (updated October 2007):

- Extension of the Moody / Bond couplet between SW Gibbs St. and the Marquam Bridge;
- Truncated River Parkway at SW Woods St.
- Reconfigured east-west streets between proposed Moody / Bond couplet from SW Gibbs St. to the Marquam Bridge;
- Increased right-of-way width for SW Porter St. and SW Moody Ave;
- Reconfigured cross-section along SW Moody Ave. to allow for light rail, two-way streetcar, cycle track, and vehicular movements; and
- Updated street lighting locations to accommodate streetcar alignment.

The Street Plan Amendment process has been initiated with extensive public outreach including briefings before the Design Commission and Planning Commission, this PDC briefing, an Open House, and various neighborhood organization presentations.

Ms. Moyle stated the Street Plan Amendment requires no action by the PDC Board, however, will go before Portland City Council in August for approval.

Mr. Straus asked if the plan accounts for the flood plain.

Mr. Pearce responded the flood plan has been taken into account and each street plan, etc., is 35' higher. He said this is for a 100 year flood plan. He further stated each of the buildings main floors take this into account, however, if there was a flood, the below level street parking would be impacted.

Ms. Moyle stated staff has applied for a \$50 million Transportation Investment Generating Economic Recovery, or TIGER grant. She said Eligible projects include highway or bridge work normally funded under programs like the Surface Transportation Program; public transportation projects, such as those funded by the New Starts or Small Starts program; passenger and freight rail infrastructure projects; and port infrastructure projects. She further stated they would be requesting letters of support from PDC and the City of Portland.

VI. PDC CUSTOMER SATISFACTION SURVEY RESULTS

Ms. Sharon Meross presented Report No. 09-94, titled, "PDC Customer Satisfaction Survey Results."

Ms. Meross stated in the spring of 2009, the Portland Development Commission (PDC) contracted with a market research firm called The Pulse Group to develop and conduct a survey of PDC's financial assistance customers. The Pulse Group surveyed 194 businesses and individuals who applied for a business finance, community development or single family homeowner loan or grant between July 2007 and December 2008. Overall PDC received high marks on all key satisfaction indicators and across all customer groups. Ninety percent of all respondents said they were "very satisfied" or "satisfied" with PDC. And 96 percent agreed that "PDC is a positive force in improving my local community."

Ms. Meross stated the Board and Executive Director want customer satisfaction results to complement PDC's suite of Key Metrics found in our adopted budget that include assessed value, jobs and leverage. Also, our agency wide goals include continued transparency and ensuring satisfaction of our customers and residents. This survey was conducted to establish a satisfaction baseline of our direct customers. Finally, customer surveying has been conducted at PDC, but this is the first comprehensive survey where a broad group of PDC customers were asked the same questions at the same time.

Ms. Meross stated the stated the survey included 25 questions in five subject areas:

- Key Satisfaction Indicators (overall with PDC, and in improving community);
- Awareness of and communication from PDC;
- Application and approval processes;
- Respondent profiles; and
- Open-ended questions (e.g. like least, like most, what PDC can do to excel at customer service).

She said they surveyed 194 individuals and businesses who applied for a PDC loan and grant between July 2007 and December 2008. They did not survey developers or multi-family housing organizations.

Ms. Kim Royster, The Pulse Group, LTD, stated the overall response rate was 26%. She said there was a strong overall confidence level and interval for total respondents. Ms. Royster stated PDC received high satisfaction across all customer groups. She said the high likelihood to recommend correlates with the "first heard about PDC" responses. However, when you look at the most positive responses, ease of working with PDC received the lowest score. Still high, but if you really want to excel, this is an area to explore further.

Ms. Royster stated there were high scores overall. In terms of the strongest feelings about PDC's impact as measures by completely agree responses:

- Positive force in improving my local community 52% completely agreed;
- I, my business or community group improved financially 53% completely agreed;
- My project improved the local community" 69% completely agreed;
- Word of mouth is inexpensive and invaluable;
- Overall, customers rate the application process high, PDC gets highest scores on courtesy and respectfulness. Home purchase customers are less satisfied, perhaps because of their lack of familiarity with overall loan processes;
- Ratings of the approval and funding process are not as overwhelmingly positive as the application process; While overall satisfaction is high, timeframe to fund and follow-up communication ratings indicate areas for improvement;
- Respondent profile section
- Business finance applicants highest percentage of African American; Storefront highest percentage of Asian/Pacific Islander;
- Although population is small - Only 14 applicants among our respondents not approved for funding – we did not find any statistical trends that would indicate an ethnic or race bias for non-approved applicants;
- Themes seen in the responses were:
 - Quicker funding turnaround;
 - Better screening or evaluation of contractors for home and lead repair;
 - Clearer communication about program uses and exemptions; and
 - More outreach when new funding is available.
- Continue to explore ways to make the process of working with PDC as easy as possible for applicants as ratings on ease of working with PDC appear to have a direct correlation to loan approval and likelihood to recommend and apply for future loans/grants from PDC;
- Awareness of PDC could be significantly enhanced by encouraging word-of-mouth promotion and targeted marketing efforts such as providing PDC approved/accepted applicants with a "I improved my community with help from PDC" sticker to put on their home or business with a web address or telephone number or email notifications of new programs/loan/grant opportunities to past applicants as well as referral sources such as real estate agents, and business brokers;
- Recognizing that communication is critical, try to ensure that every applicant has a single-point of contact with PDC as well as an alternate should the key contact be out of the office;
- Review the application requirements for each loan/grant type to ensure that eligibility requirements are as clearly stated in "customer-friendly" language and perhaps offer a checklist to identify any potential problem areas to minimize going further down the application process trail if there are insurmountable issues that would prevent loan/grant approval;
- As home repair or lead abatement applicants made numerous negative comments about their experiences with contractors and seem to associate these negative experiences with PDC, consider offering a blog where consumers could post ratings and comments about their experiences with contractors;
- As storefront applicants show wide variation in their verbatim comments about likes/dislikes with this PDC program, PDC should consider monitoring or possibly offering additional training of program staff to ensure consistent delivery of customer service and extend this monitoring process and training to other areas of PDC as well;

- Consider adding a question on declined applications to identify whether non-approve applicants place blame on PDC; “PDC staff did everything possible to ensure that I received the best possible opportunity of having my loan or grant approved.”; and
- To the extent possible, try to collect email information from all applicants, particularly single-family lead abatement/home repair and home buyer applicants as the online survey is significantly more cost effective and efficient for future customer satisfaction surveys. Additionally, home owners could then be included on email notifications of new loans/grants/programs that may pertain to them.

The Commissioners expressed their thanks to Ms. Meross and Ms. Royster. They stated overall the survey was good, however, there was still room for improvement and would look forward to subsequent strategies to improve.

VII. FUTURE ROSE QUARTER DEVELOPMENT BRIEFING

Ms. Kia Selley presented Report No. 09-95, titled, “Future Rose Quarter Development Briefing.”

Ms. Selley stated the purpose of the briefing is to provide an overview of the Rose Quarter Development project (Project) in anticipation of a public kick-off in September 2009 with the first meeting of the Stakeholder Advisory Committee (SAC). She said over the last year, Portland Arena Management (PAM)—Memorial Coliseum manager and Rose Garden Arena owner/manager—has been exploring new opportunities for creating a vibrant, 24/7 sports and entertainment district at the Rose Quarter based on the Rose Quarter Urban Design Plan and Development Strategy (2001). Earlier this year, Mayor Sam Adams requested the Portland Development Commission (PDC) facilitate an agreement with PAM and create a Project process to guide future development. While the specifics of the Project are yet to be determined, future Rose Quarter development will realize the long-anticipated community vision of a pedestrian-oriented, mixed-use district that showcases leading edge sustainability practices, creates jobs, and is well integrated and connected with the surrounding neighborhood and adjacent Lloyd district. The Project is located in the Oregon Convention Center Urban Renewal Area (OCC URA).

Ms. Selley said the twelve-month Project process will result in the Rose Quarter Development Strategy, for subsequent implementation largely by PAM. The draft Project process includes **(4) four** key components that are outlined below:

- **Memorandum of Understanding (MOU).** PDC is facilitating negotiation of an MOU between the City of Portland (City), PDC, and PAM that will articulate roles and responsibilities for the parties throughout the Project process with execution expected by the *end of August 2009*.
- **Community Engagement.** The City and PDC will lead and fund an outreach process to engage the community in all aspects of Project planning, including a determination on the future of the Memorial Coliseum, and preparation of a Development Strategy that will guide future development. The SAC will be convened in *September 2009* by Mayor Adams and will advise the Portland City Council on all aspects of Rose Quarter development; opportunities for broader community feedback will be provided on-line and at public forums and meetings throughout the Project process.
- **Memorial Coliseum Future.** The City and PDC will lead and fund a call for ideas to renovate or adaptively reuse the Memorial Coliseum in *November 2009* and will facilitate potential selection of an economically viable reuse proposal by City Council in *April 2010*.

- **Development Strategy.** PAM (or its affiliate) will lead and fund a planning process to create a Strategy for development of the Rose Quarter area in consultation with the community through the SAC and public forums by *September 2010*.

Ms. Selley said the PDC Board of Commissioners (Board) will be briefed at key Project milestones over the next twelve months to receive guidance on renovation and adaptive reuse of the Memorial Coliseum building as well as on the Development Strategy.

Mr. Larry Miller, Portland Trail Blazers, stated they welcome a partnership between the City, PDC, the Cordish Company and the Portland Trail Blazers. He said he recently met with representatives from Nike to discuss them joining the experience at the Rose Quarter. He said when they met they developed a concept and are calling it "Jumptown". He provided a brief history of the area with its deep musical roots and tradition and said the area was known as "Jumptown".

Mr. Miller said "Jumptown" would be considered Portland's Rec Room and will be a world-class mixed-use sports and entertainment district in one of Portland's most vibrant neighborhoods. He said they envision a vibrant community gathering place at the intersection of sports, music and entertainment, one that pays homage to the rich musical heritage of Portland's eastside. Representing world-class design and best practices in green construction and operations, the project will appropriately honor Oregon's veterans. It will embody the best of Portland's cultural past, present and future through live music events, a variety of residential, hotel and office space, diverse retail and restaurant amenities and a one-of-a-kind Nike interactive experience. He outlined specific goals for "Jumptown" and said it would be:

- A deliberate tie to N.E. Portland's rich musical history;
- An economically sustainable business model that creates a new destination in the Rose Quarter; creates jobs and instills civic pride;
- Architecture and urban planning appropriate for the location and use of the district, its facilities and its diverse customers;
- A project that is seamlessly connected to what's already there in terms of transportation, layout and use;
- Best in class "green" building and operating practices that showcase Portland's sustainable values to the rest of the country; and
- A project that entertains inspires and energizes the community.

Mr. Miller also said a meaningful public involvement and community outreach will guide the process.

Ms. Kia Selley said PDC and PAM began MOU negotiations in January 2009 at the direction of Mayor Sam Adams. In February 2009, Mayor Adams and Commissioner Leonard requested PDC put MOU negotiations with PAM on hold to explore integrating the PAM-proposed development program and Merritt Paulson's proposed AAA Baseball stadium at the Rose Quarter. In April 2009, a 2-day charrette was held with PAM design team members and Merritt Paulson's stadium design team. Concept plans were developed that proposed a new AAA Baseball stadium at both the current location of the Memorial Coliseum (requiring demolition) and adjacent to N. Broadway and the Broadway Bridge. The most cost-effective location for the proposed AAA Baseball stadium was determined to be the current location of the Memorial

Coliseum because of site grades and utilities; however, there was significant community opposition to the removal of the Memorial Coliseum. For this reason, it was determined that the Memorial Coliseum would not be demolished to construct a new AAA Baseball stadium at the Rose Quarter.

Ms. Selley stated the City and PDC are negotiating directly with PAM based on their existing rights to operate and/or develop the Memorial Coliseum, Public Parking Garages, and surrounding City-owned property by November 2010; their ownership and management of the Rose Garden Arena and adjacent office building; and the long-standing and significant presence of their affiliate's Trail Blazer basketball team. The Project area includes property owned by the City, PAM, and Aegean Corporation (an affiliate of PAM). The proposed MOU acknowledges the constraints of public funding for the Project. Tax Increment Financing (TIF) totaling \$5.4 million has been allocated to the Project from the OCC URA: \$3.5 million in Fiscal Year 2011-12 and \$1.9 million in Fiscal Year 2012-13. Future year tax increment revenues (estimated up to \$24.9 million) may be accessed through deferred interest bonds and would require private placement. A financial analysis is underway to determine whether an expansion of the Interstate Corridor URA (ICURA) could generate additional revenue for the Project; expansion of the ICURA would require concurrence by the N/NE Study Advisory Committee as a first step before the formal expansion process.

Ms. Selley said the SAC members will represent a broad range of community interests including, but not limited to, ICURA and OCC URA advisory committees, sustainability, architectural preservation, urban planning and design, arts and entertainment, and inner eastside businesses. The SAC, chaired by Mayor Adams, will confirm the vision for Rose Quarter development based on previous planning efforts, recommend criteria for evaluating proposals for the renovation or adaptive reuse of the Memorial Coliseum, and provide feedback on the Rose Quarter Development Strategy. A project website will launch in early fall 2009 to inform the public and gather feedback throughout the Project process in addition to public meetings and forums. Social networking media such as *Facebook*, *Twitter*, and *YouTube* will engage a broader audience, particularly a younger audience. Periodic Project briefings will be provided at the ICURA and OCC URA Advisory Committee meetings and at the N/NE Study Advisory Committee meeting.

Mr. Lew Bowers said the goal of the Memorial Coliseum future process is to select an economically sustainable renovation or adaptive reuse proposal that can be integrated with the PAM Development Strategy and implemented as part of future Rose Quarter development led by PAM. Because of significant community interest in saving the Memorial Coliseum building, PDC will lead a process to gather ideas for renovation or adaptive reuse of the Coliseum through electronic media and public forums. A short list of ideas will be developed based on evaluation criteria and in coordination with the SAC, PDC Board, and City Council. Proposals will be requested for the short listed ideas and City Council will make the final determination on the future reuse of the Coliseum since the building is a City asset. Reuse of the Coliseum may be determined in part by the building's landmark status. The City has received notification from the State Historic Preservation Office (letter dated July 17, 2009) that the State Advisory Committee on Historic Preservation has reviewed and approved a nomination of the Memorial Coliseum building for the National Register of Historic Places.

Mr. Bowers stated PAM will finance preparation of a Development Strategy for the Rose Quarter area (with a potential northerly expansion to fully activate the Broadway corridor) that will include a Site Plan, Development Program, Phasing Plan, Market Analysis, Veteran Memorial (or alternate proposal), Access and Circulation Diagram, Transportation and Access Improvements, and a Financial Analysis (including development pro forma and operations pro forma). PAM will be responsible for future implementation of the Strategy, with the possible exception of the Memorial Coliseum which may be renovated by others.

Chair Andrews expressed his thanks to Mr. Miller for his leadership and for his willingness to work with the community to make the project happen.

Commissioner Straus asked what is anticipated for the Memorial Coliseum.

Mr. Miller replied current plan are to repurpose the Memorial Coliseum if it is financially feasible to do so.

The Commissioners expressed their thanks and stated they look forward to additional briefings in the future.

VIII. BRIEFING ON 92H REQUEST FOR QUALIFICATIONS AND SELECTION OF DEVELOPMENT TEAMS

Mr. Justin Douglas presented Report No. 09-96, titled, "Briefing on 92H Request for Qualifications and Selection of Development Teams."

Mr. Douglas stated in February 2009, the Portland Development Commission (PDC) released a Request for Qualifications (RFQ) to solicit submittals from development teams for future redevelopment of 92/H, the PDC-owned 3.5-acre site at SE 92nd Avenue and Harold Street adjacent to the new light rail station in the Lents Town Center. The 92/H site had been used as ball fields by the Lents Little League (LLL) since the 1950s. In February 2000, PDC acquired the site from the Boys and Girls Club for \$1.8 million for future redevelopment purposes. In subsequent years, PDC worked with LLL to find a replacement site and executed a use agreement to facilitate their relocation. In 2005, Lents Park was identified as the most adequate, appropriate, and financially feasible site for relocation. In August 2007, PDC and Portland Parks and Recreation were able to finalize an Amended and Restated Use Agreement by and between the parties to realize relocation of LLL to Lents Park, for which PDC funded approximately \$1 million. On April 11 2009, LLL celebrated the grand opening of their new facilities at Lents Park. The RFQ stated that PDC envisions a mixed-use, mixed-income, transit-oriented, sustainable infill project on the site and emphasized five Key Redevelopment Principles:

- Transform the Lents Town Center;
- Create a Showcase Transit-Oriented Development;
- Provide Community Connections;
- Advance Sustainability; and
- Celebrate the Past and Future of this Diverse Community.

Mr. Douglas said PDC assembled a 12-member Selection Advisory Committee (Committee) to evaluate the submittals. Members of the Selection Committee included:

- Cora Potter (Lents Town Center Urban Renewal Advisory Committee)
- Jillian Detweiler (TriMet)
- Noelle Dobson (Community Health Partnership)
- David Hyde (Lents Neighborhood Association)
- Tom Walsh, Sr. (Walsh Investment Co.)
- Jeff Jewel (Human Solutions, Inc.)
- Kali Bader (Rembold Properties)
- Karl Dinkelspiel (PDC)
- Amy Miller-Dowell (PDC)
- Steven Shain (PDC)
- Bernie Kerosky (PDC)

- Sara Culp (PDC)

He said the Committee's task was to evaluate all eight responsive submittals and recommend which team(s) PDC should select for future redevelopment. Qualified development teams were those that had the demonstrated experience and capacity in developing, financing, and building projects of similar size and scale. PDC did not require a specific project/development proposal as part of the RFQ, but did ask for preliminary thoughts on uses, programming, massing, etc. The RFQ was explicit that PDC may select and enter into exclusive negotiations with one of the development teams. The Committee's charter explicitly described their role as an advisory body to PDC; ultimate development team selection resides with the PDC Executive Director.

Eight submittals the Selection Committee evaluated included:

1. Lents Field of Dreams, LLC
2. Turtle Island Development
3. The Fields Team
4. Williams/Dame & Associates, Inc.
5. Pacific Community Investment Partners, LP
6. North Fork Market, LLC
7. DH&G Development, LLC
8. Geller, Silvis & Associates, Inc.

After evaluating all eight submittals for development team capability and experience, the Selection Committee narrowed down the list to four teams to interview:

1. Lents Field of Dreams, LLC
2. Turtle Island Development
3. Williams/Dame & Associates, Inc.
4. North Fork Market, LLC

Interviews were held on June 17, 2009. Following the interview process, the Selection Committee met for the third and final time to select which team(s) to move forward and discussed various options for the next phase of master planning and negotiations. On July 1, 2009, the Committee voted unanimously to recommend Turtle Island Development be chosen to move forward into a master planning and feasibility process supported by a stipend and then, if successful, into a DDA. The Committee felt that this team was the best qualified and had successfully completed comparable projects in the past, such as Buckman Heights and the Sitka Apartments, and had experience in phasing and sustainability considerations that were applicable to 92/H. In addition, the Turtle Island Development team includes Pacific Retirement Services, a developer of senior housing with national experience.

The Committee also recommended PDC ask Turtle Island Development to work with the North Fork Market, LLC team to see if that team and their permanent public market concept could be incorporated into the redevelopment. The Committee did not think that North Fork Market had the experience or capability to develop the entire 3.5-acre 92/H site, but were enthusiastic about including their concepts in the Lents Town Center. PDC will not require Turtle Island to include North Fork Market as part of their team, but rather strongly encourage them to consider partnering with them to see if their teams and concepts are complementary.

In addition, Mr. Douglas stated PDC has entered into a Purchase and Sale Agreement (PSA) with the owner of a 2-acre property on SE 92nd Avenue and Ramona Street that is adjacent to the 92/H site. It is expected that the PSA will come before the PDC Board in early fall, if warranted by due diligence. PDC will consider if any or all of the site will become a part of the future 92/H redevelopment.

Mr. Douglas said following a two-month evaluation and interview process, the Committee forwarded their unanimous recommendation through the PDC Investment Committee on July 22, 2009. A recommendation was made to enter into exclusive negotiations with Turtle Island Development to undertake a master planning and feasibility process, and, if successful, enter into negotiation for a Disposition and Development Agreement (DDA) to redevelop the site. The Committee also recommended that Turtle Island Development consider including another team that submitted qualifications, North Fork Market, LLC, for a set amount of time during the master planning and feasibility process to assess whether they can team together and incorporate the concepts that the North Fork team proposed in their submittal. He said it is expected that the development team will complete their feasibility work this fall; should the team and PDC decide to move forward in project development, it is likely that a DDA would be drafted and executed in early 2010.

Ms. Cora Potter, Chair of the Lents Urban Renewal Area Committee (URAC), stated she was also on the selection committee as the representative for the URAC. She expressed her support of the project. She said all of the proposals had something good about them; all were liked by the members. They had a hard time narrowing the projects down. She said as they narrowed the teams down to four, the discussion went back and forth among the proposals. In the end, however, it was a unanimous vote for Turtle Head Development, although, the committee did ask the selected developer meet with and try to work with another proposer "North Fork Market" because the committee liked the public market aspect of their proposal.

Chair Andrews said this was an important site at Lents. He the site was a historic site that has been in the news and more importantly is next to the MAX station. He also agreed with the approach of a RFQ and moving directly to a Memorandum of Understanding (MOU) given the unanimous support of the selection committee. PDC is doing the right thing in a timely manner. He said given the large size of the project, it is a real opportunity to include smaller minority development firms in the planning process with the selected developer in order for them to gain experience. In addition, he said he hopes the financial world turns around so they are able to find a financial partner for the project.

Commissioner Wilhoite expressed thanks to Ms. Cora Potter for her participation. He said the unanimous decision was very pleasing. He said he had expressed some concern that the same developer was getting all of the projects at PDC until he learned it was a unanimous decision through a very involved process. However, he said it was important to be as inclusive as possible and involve smaller firms that normally would be given an opportunity on a project this size.

Commissioner Ferran expressed concern over the selection process and encouraged staff to try to involve as many minority firms as possible throughout the development of the 92H site.

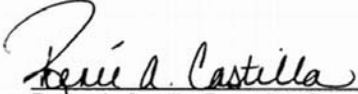
Chair Andrews expressed his thanks to staff and stated he looks forward to further updates.

IX. ADJOURN

There being no further business, Chair Andrews adjourned the meeting at 6:02 p.m.

Respectfully submitted,

Approved by the Portland Development Commission on August 26, 2009.



Rere A. Castilla, Recording Secretary