

This document constitutes the official meeting record of the December 14, 2011, Portland Development Commission (PDC) Board of Commissioner's Meeting held at 222 NW fifth Ave., Portland, OR 97209. The full video recording of this meeting can be found at: <http://www.youtube.com/watch?v=aAsNmAUtEAg>

I. CALL TO ORDER AND ROLL CALL

Chair Scott Andrews called the meeting to order at approximately 3:06 p.m.

Ms. Tracey Gemma, acting as recording secretary for the Board, called the Commission roll:

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|-------------------------------|-----------------------|
| Chair Scott Andrews | PRESENT |
| Commissioner Aneshka Dickson | PRESENT VIA TELEPHONE |
| Commissioner John Mohlis | PRESENT |
| Commissioner Steven Straus | ABSENT |
| Commissioner Charles Wilhoite | PRESENT |

II. COMMISSIONER REPORTS

Chair Scott Andrews:

- Attended brown bag meeting with PDC staff and it was well attended and is something Board members will be doing routinely with staff
- Attended PDC Board and Leadership Team retreat December 5 and a lot was accomplished and was kick-off to budget process
- Attended Rose Quarter Citizens Advisory Committee Meeting
- Went to Central Point to meet with Mr. Dennis Richardson to discuss the Oregon Sustainability Center

Commissioner Aneshka Dickson:

- Attended the Neighborhood Economic Development Leadership Advisory Group and believes this group, and the NED Strategy overall, will add significant depth and direction to the work to improve neighborhood vitality; she appreciates the community-driven approach.
- Attended the December 5 Board retreat and thought it was a productive event

Commissioner John Mohlis:

- Attended the December 5 Board retreat and with PDC's evolving mission believed it gave the Board a good opportunity to discuss and delve into the issues
- Attended Business Plan Leadership Summit with several senators and Governor in attendance

III. EXECUTIVE DIRECTOR REPORT

- Participated in Oregon Business Plan Leadership Summit related to the athletic and outdoor industry
- Traveled to Washington D. C. to the Brookings Institution to present the draft Export Strategy
- Attended several industry-related events (Manufacturing Summit, A&O Event, Athletic and Outdoor Industry event, Oregon Film Industry Annual Meeting)
- SoloPower held job fair and optimistic local hires will be generated from event

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

222 Northwest
Fifth Avenue
Portland, OR
97209-3859

tel: 503.823.3200

fax: 503.823.3368

TTY: 503.823.3366



- Participated in forum regarding plans for improving bike infrastructure along North Williams
- PDC hosting all employee holiday breakfast December 21, invited the Board members to attend
- Announced Mr. Jared Wiener is a new employee joining the Business and Industry Team

IV. MEETING MINUTES

Chair Andrews said slight revisions were made to the Meeting Minutes and the corrected version was issued. Chair Andrews called for a motion to approve the November 9, 2011, Meeting Minutes. Commissioner Wilhoite said he would not comment, as he did not attend the November 9 meeting. Commissioner Mohlis moved and Commissioner Dickson seconded the motion.

AYES: Andrews, Dickson, Mohlis

NAYS: None

V. PUBLIC TESTIMONY

Those providing public testimony during this time:

Ms. Mary Ann Schwab, Concerned Citizen and Property Owner

Ms. Mary Ann Schwab expressed her concern relative to the PDC budget and community involvement aspect, indicating she does not believe PDC is providing citizens with enough time to review and provide comments relative to PDC's budget. She also stated it was difficult to review/approve a budget forecast when the preceding budgets are not included with the information. She said a lot of money has been spent on economic development initiatives and wanted to know, for the money being spent, how many jobs have been creating. She also expressed concern over Crescent Park being transferred to Portland Parks and Recreation and the issue surrounding Washington High School and underground parking spaces.

VI. CONSENT AGENDA

Chair Andrews stated there were no items on the consent agenda.

VII. THIRD AMENDMENT TO STATION PLACE DISPOSITION AND DEVELOPMENT AGREEMENT WITH HOYT STREET PROPERTIES AND STATION PLACE GARAGE PARKING AGREEMENT WITH PEARL HOTEL INVESTORS, LLC

Portland Development Commission staff presenting this item:

Mr. Steven Shain, Central City manager

Ms. Katherine Krajnak, Project/Program Coordinator

The first resolution (Resolution 6909) authorized Amendment 3 to the Disposition and Development Agreement (DDA) for Station Place Redevelopment (Station Place DDA) as it affects Station Place Lot 4, also known as Parcel 3. Station Place Lot 4 (Lot 4) was conveyed to Hoyt Street Properties (HSP) April 26, 2004, as part of the trade of land for the Fields Neighborhood Park. Amendment 3 allows the following changes to the Station Place DDA:

- Changes the Scope of Development from residential with 30 units affordable to households at 120 percent Median Family Income (MFI) to allow a hotel use.
- Adds requirement to comply with PDC's Green Building Policy.
- Adds requirement to comply with PDC's current version of the Business and Workforce Equity Policy.

- Changes the Schedule of Performance with an estimated Construction Commencement date of October 1, 2013.
- Acknowledges PDC's approval to assign the DDA from HSP to Pearl Hotel Investors, LLC (PHI).

As part of Amendment 3, HSP agreed to extend the repurchase right for affordable housing as set forth in the Amended and Restated Agreement between the City of Portland and Hoyt Street Properties, LLC., for two additional years until September 8, 2014. Additionally, HSP agrees under the Hoyt Street Yards DA, its affordable housing obligation shall be increased by 30 for-rent or for-sale housing units affordable to households at or below 120 percent of MFI.

The second resolution (Resolution 6910) will authorize a ten-year lease with four ten-year extensions with PHI for 100 parking stalls in the Station Place Garage to service the proposed hotel that PHI seeks to develop. This lease will generate an estimated \$1.5 million in revenue to PDC for the initial 10-year term, with potential for equal or greater revenue for subsequent extensions.

Those providing testimony on this item:

No individuals provided public testimony on this item.

Board Discussion and/or requested follow-up relative to this item:

- Chair Andrews thanked staff, saying they accomplished a lot in a short amount of time to get this deal negotiated. He recognized HSP for working with PDC to retain the affordable Housing requirement. He said this is a great project PDC is not subsidizing and will generate approximately \$1 million lodging tax revenues, \$385,000 in annual property taxes, over \$1.9 million in fee and permit revenue, and approximately \$106,000 in parking revenues.
- Commissioner Dickson and Commissioner Mohlis echoed the Chair's comments and said it will be good for our city and will create jobs
- Commissioner Wilhoite said this is a nice example of a project that has a lot of economic value. He asked who is Pearl Hotel Investors and Mr. Shain answered it is an LLC created by Mr. Dike Dame. Commissioner Wilhoite said there are so many positives about the project and asked if there were any negatives. Mr. Shain said he did not believe so, especially in light of the housing component going forward. He asked if the 30 units for owners would still exist and Mr. Shain said yes. He asked if there was any significance to the 225 hotel rooms to 100 parking space ratio and Ms. Krajnak said yes, this is the standard capture rate for hotel rooms. He asked to explain why PDC's right to re-enter and re-sell the property will be terminated once the building permit is issued. Mr. Shain said it is because of the type of investment that was made (investors have spent in excess of \$1 million in design to get building permit) and PDC's investment being minimal.

Chair Andrews called for motion to approve Resolution 6909 and 6910 and Commissioner Wilhoite moved and Commissioner Mohlis seconded the motion. Commissioner Wilhoite also mentioned the Portland Housing Bureau had issued a letter also supporting this project.

AYES: Andrews, Dickson, Mohlis, Wilhoite

NAYS: None

Commissioner Dickson excused herself from the meeting, as she had another commitment.

VIII. UPDATE ON GREATER PORTLAND'S METROPOLITAN EXPORT INITIATIVE

Portland Development Commission staff and others presenting this item:

Ms. Jennifer Nolfi, Business and Industry Division Manager

Mr. Chris Harder, Business and Industry Manager

In response to President Obama's National Export Initiative – a challenge to the nation to double its exports in five years – the Brookings Institution (Brookings) established the Metropolitan Export Initiative (MEI). Through its research, Brookings found that U.S. metropolitan areas are leading national export growth and driving the nation's economic competitiveness. Portland, along with Syracuse, Minneapolis, and Los Angeles, were selected by Brookings through a competitive process to serve as pilot cities for the MEI. There are three primary deliverables of the Greater Portland MEI: 1) Market Assessment, 2) Export Plan, and 3) Policy Memo. A description and summary of findings and recommendations for each of these is covered in the remaining sections of this report.

While the Portland Development Commission (PDC) and the Mayor's Office are driving strategy development, key partners in the process include: Greater Portland Inc., Port of Portland, Business Oregon, Portland Business Alliance, Metro, Columbia River Economic Development Council, Portland State University, Oregon Export Council, and various local government economic development organizations.

Those providing testimony on this item:

No individuals provided public testimony on this item.

Board Discussion and/or requested follow-up relative to this item:

The Board presentation will cover the following:

- Chair Andrews said it is a logical and exciting addition to the tool chest to create jobs and likes the cluster strategy component. He said our region knows how to export on the logistics side but this helps connect folks that create products and jobs with the market. He said this activity will put Portland on the map for several reasons and also believes PDC will receive a lot of good public relations benefit from this, as well.
- Commissioner Wilhoite said this is a great effort because it does tie directly to our cluster focus and increases local company growth by offering a strategy to get products exported. He asked when looking at a national export initiative and trying to double exports within a five-year period, when is the point where all can say the homework is done and this is the plan. Mr. Harder said this will be February 15, 2012, when the strategy and implementation plan is rolled out. Commissioner Wilhoite asked about the funding target and Mr. Harder responded by saying the existing Economic Development Strategy will be leveraged and a lot of the work PDC and other partner organizations already do will also be leveraged. Chair Andrews said another \$75,000 will be needed for this effort but the initial investment will allow Greater Portland Inc. to hire the staff person to get this effort up and running.
- Mr. Quinton said this has been a great effort and thanked staff for their dedication and support
- Commissioner Mohlis said this is a great opportunity for our entire region.

IX. ROSE QUARTER DEVELOPMENT PROJECT BRIEFING

Portland Development Commission staff presenting this item:
Mr. Lew Bowers, PDC Central City Division Manager
Mr. Kevin Brake, PDC Senior Project/Program Coordinator

Staff provided the Board with an update on the design and scope of work for the Veterans Memorial Coliseum (VMC) revitalization, including the status of the concurrent feasibility analysis for a shared thermal energy system. The shared thermal energy system is a significant new step for the Lloyd EcoDistrict. Staff also updated the Board on the Rose Quarter District Plan that was recently reviewed by the Rose Quarter Stakeholder Advisory Committee November 30, 2011, and will be submitted to the Bureau of Planning & Sustainability Central City 2035 North/Northeast Quadrant Stakeholder Advisory Committee.

Portland City Council authorized Mayor Adams or Chief Accounting Officer Jack Graham to enter into a non-binding Proposed Transaction Terms agreement (Term Sheet) among the City, Rip City Management, LLC (doing business as Portland Arena Management, and Portland Winterhawks). The Term Sheet outlines intentions for a public-private Redevelopment Agreement for investment of approximately \$30,500,000 to design and construct improvements that would revitalize the VMC. Funding includes \$17,100,000 from the Oregon Convention Center Urban Renewal Area. Staff explained that this is an informational report only; in January 2012, staff expects to bring to the Board for its consideration, an Intergovernmental Agreement between PDC and the City's Office of Management and Finance to fund the City's obligation under the Redevelopment Agreement.

Those providing testimony on this item:
 No individuals provided public testimony on this item.

Board Discussion and/or requested follow-up relative to this item:

- Chair Andrews said the plan is to present the Redevelopment Agreement to City Council mid-January and in the interim make advance deposits so work can be initiated (new seating, new NHL ice rink). He said the Winterhawks also see this as a good investment as evidenced by them bringing \$10 million to this project. He said almost 400,000 people attended events at the VMC during this fiscal year and use it for a wide variety of venues. He said the Veterans Memorial Gardens will be upgraded and it will get the attention they deserve.
- Commissioner Mohlis said this is sometimes characterized as simply remodeling a hockey rink and said it is so much more than that, as it has so many public uses everyone will benefit. He really appreciates the Veterans area being enhanced and the Veteran's input is being solicited. He said getting this building done so public can see it is critical, as it will accelerate further development once people are able to see the finished product
- Commissioner Wilhoite said he wants to ensure this becomes the best tribute to Veterans and their families as possible. He said upgrading this asset will allow more revenues to be generated over time.
- Chair Andrews said Commissioner Dickson had already been briefed on the two information items but asked staff follow-up with Commissioner Straus and provide him with this information.

X. ADJOURN

There being no further business, Chair Andrews adjourned the meeting.

Respectfully submitted,

Approved by the Portland Development Commission January 11, 2012.



Recording Secretary